

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 10-Q**

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 5, 2001

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-8897

**BIG LOTS, INC.**

(Exact name of registrant as specified in its charter)

Ohio  
(State or other jurisdiction of  
incorporation or organization)

06-1119097  
(I.R.S. Employer  
Identification No.)

300 Phillipi Road, P.O. Box 28512, Columbus, Ohio  
(Address of principal executive office)

43228-0512  
(Zip Code)

(614) 278-6800  
(Registrant's telephone number, including area code)

**Consolidated Stores Corporation**

a Delaware corporation

1105 North Market Street, Suite 1300, P.O. Box 8985, Wilmington, Delaware 19899  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

The number of shares of Common Stock, \$.01 par value per share, outstanding as of June 12, 2001, was 113,501,336 and there were no shares of Non-Voting Common Stock, \$.01 par value per share, outstanding at that date.

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**BIG LOTS, INC. AND SUBSIDIARIES**

**FORM 10-Q**

**For the Quarter Ended May 5, 2001**

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## ***Part I. Financial Information***

### **Item 1. FINANCIAL STATEMENTS**

#### **BIG LOTS, INC. AND SUBSIDIARIES**

#### **CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited) (In thousands, except per share amounts)**

	<b>Thirteen weeks ended</b>	
	<b>May 5, 2001</b>	<b>April 29, 2000</b>
Net sales	\$773,621	\$723,139
Costs and expenses:		
Cost of sales	459,703	419,446
Selling and administrative expenses	309,829	276,484
Interest expense	3,596	3,533
	<u>773,128</u>	<u>699,463</u>
Income from continuing operations before income taxes	493	23,676
Income taxes	195	9,352
	<u></u>	<u></u>
Income from continuing operations	298	14,324
Discontinued operations		(27,501)
	<u></u>	<u></u>
Net income (loss)	<u>\$ 298</u>	<u>\$ (13,177)</u>
Income (loss) per common share — basic:		
Income from continuing operations	\$ 0.00	\$ 0.13
Discontinued operations	0.00	(0.25)
	<u></u>	<u></u>
Net income (loss)	<u>\$ 0.00</u>	<u>\$ (0.12)</u>
Income (loss) per common share — diluted:		
Income from continuing operations	\$ 0.00	\$ 0.13
Discontinued operations	0.00	(0.25)
	<u></u>	<u></u>
Net income (loss)	<u>\$ 0.00</u>	<u>\$ (0.12)</u>
Average common shares outstanding:		
Basic	112,823	111,105
Dilutive effect of stock options	415	1,102
	<u></u>	<u></u>
Diluted	<u>113,238</u>	<u>112,207</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

#### **BIG LOTS, INC. AND SUBSIDIARIES**

#### **CONDENSED CONSOLIDATED BALANCE SHEETS (In thousands, except par value)**

	<b>May 5, 2001(a)</b>	<b>February 3, 2001</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 33,795	\$ 30,661
Inventories	754,277	744,945
Deferred income taxes	163,366	177,188
Refundable income taxes	83,811	84,048
Other current assets	84,539	63,725
	<u></u>	<u></u>
Total current assets	1,119,788	1,100,567

Property and equipment — net	495,536	481,909
Other assets	2,996	2,920
	<u>\$1,618,320</u>	<u>\$1,585,396</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 198,290	\$ 201,564
Accrued liabilities	95,707	123,430
Notes payable and current maturities of long-term obligations	30,000	
	<u>323,997</u>	<u>324,994</u>
Total current liabilities		
Long-term obligations, less current maturities	289,700	268,000
Deferred income taxes	63,995	64,590
Commitments and contingencies		
Stockholders' equity:		
Preferred stock — authorized 2,000 shares, \$.01 par value; none issued		
Common stock — authorized 290,000 shares, \$.01 par value; issued 113,339 shares and 112,079 shares, respectively	1,133	1,121
Nonvoting common stock — authorized 8,000 shares, \$.01 par value; none issued		
Additional paid-in capital	428,543	416,038
Retained earnings	510,952	510,653
	<u>940,628</u>	<u>927,812</u>
Total stockholders' equity		
	<u>\$1,618,320</u>	<u>\$1,585,396</u>

(a) *Unaudited*

The accompanying notes are an integral part of these condensed consolidated financial statements.

## BIG LOTS, INC. AND SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) (In thousands)

	Thirteen weeks ended	
	May 5, 2001	April 29, 2000
Operating activities:		
Net income (loss)	\$ 298	\$ (13,177)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Discontinued operations		27,501
Depreciation and amortization	15,710	14,934
Deferred income taxes	11,708	1,903
Other	7,089	3,394
Change in assets and liabilities	(60,907)	(100,592)
Cash used in discontinued operations		(175,176)
	<u>(26,102)</u>	<u>(241,213)</u>
Net cash used in operating activities		
Investing activities:		
Capital expenditures	(29,577)	(25,249)
Other	81	354
	<u>(29,496)</u>	<u>(24,895)</u>
Net cash used in investing activities		
Financing activities:		
Net proceeds from credit arrangements	53,219	226,500
Proceeds from exercise of stock options	5,513	60
	<u>58,732</u>	<u>226,560</u>
Net cash provided by financing activities		
Increase (decrease) in cash and cash equivalents	3,134	(39,548)
Cash and cash equivalents: Beginning of period	30,661	96,337
	<u>\$ 33,795</u>	<u>\$ 56,789</u>
Cash and cash equivalents: End of period		
Supplemental disclosure of Cash Flow Information:		
Cash paid for interest	\$ 4,772	\$ 5,524
Cash paid for income taxes	\$ 301	\$ 64,964

The accompanying notes are an integral part of these condensed consolidated financial statements.

## BIG LOTS, INC. and SUBSIDIARIES

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

**Note 1 – Basis of Presentation**

All references herein to the “Company” are to Big Lots, Inc. and its subsidiaries (f/k/a Consolidated Stores Corporation). The condensed consolidated financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial information. The condensed consolidated balance sheet at May 5, 2001, and the condensed consolidated statements of operations and statements of cash flows for the thirteen week periods ended May 5, 2001 and April 29, 2000, have been prepared by the Company without audit. In the opinion of management, all adjustments necessary to present fairly the financial position, results of operations, and cash flows for all periods presented have been made. Such adjustments consisted only of normal recurring items.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted or condensed, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that the condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended February 3, 2001. Interim results are not necessarily indicative of results for a full year.

**Note 2 – Recent Accounting Pronouncements**

Statement of Financial Accounting Standards No. 133, “Accounting for Derivative Instruments and Hedging Activities,” as amended, requires derivatives to be recorded on the balance sheet as assets or liabilities, measured at fair value. Gains or losses resulting from changes in fair value of the derivatives are recorded depending upon whether the instruments meet the criteria for hedge accounting. This Statement was adopted effective February 4, 2001, and does not have an impact on the financial position, results of operations or cash flows of the Company.

**Note 3 – Debt**

On May 8, 2001, the Company entered into a \$512.5 million Senior Unsecured Revolving Credit Agreement (“Revolving Credit Agreement”) with a group of financial institutions, including a \$358.75 million three-year revolving credit facility and a \$153.75 million 364-day facility, renewable annually. Based upon the Company’s current debt rating, borrowings under the Revolving Credit Agreement bear interest equal to LIBOR plus 125 basis points. The Revolving Credit Agreement replaced the Company’s \$500 million Senior Unsecured Bank Facility that was due to expire on May 6, 2002.

On May 8, 2001, the Company also completed a \$204 million private placement of unsecured senior notes (“Senior Notes”) with maturities ranging from four to six years. The Senior Notes carry a weighted average yield of 7.71% and rank parri passu with the Company’s Revolving Credit Agreement. Proceeds from the issue were used to pay down the Company’s previous bank facility. Summary terms of the note issuance are as follows:

Amount	Due Date	Coupon	Yield
\$174 million	May 15, 2005	7.87%	7.69%
\$ 15 million	May 15, 2006	7.97%	7.79%
\$ 15 million	May 15, 2007	8.07%	7.89%

Both the Revolving Credit Agreement and the Senior Notes contain customary affirmative and negative covenants including financial covenants requiring the maintenance of specified consolidated fixed charge coverage, leverage and minimum net worth ratios.

**Note 4 – Discontinued Operations**

On June 27, 2000, the Company announced its decision to separate the toy and closeout businesses by divesting the Company’s KB Toy Division. The financial statements and notes have been reclassified for all periods presented to reflect the toy segment as a discontinued operation.

On December 7, 2000, the Company closed the sale of its KB Toy Division to an affiliate of Bain Capital, Inc. The buyer purchased the business in conjunction with KB Toy’s management, who the buyer informed the Company has been retained to lead the KB Toy business. Gross proceeds totaled approximately \$305 million, consisting primarily of \$258 million in cash, a note with a face amount of \$45 million, and a warrant to acquire common stock of the buyer. The note receivable matures on December 7, 2010 and bears interest at a rate of 8%. The interest is payable in annual installments to be paid by issuing additional notes with substantially identical terms as the original note. The warrant provides that the Company is entitled to purchase up to 2.5% of the common stock of the buyer for a stated per share price. The stock can be purchased any time prior to December 7, 2005. The note and warrant are being accounted for on the cost basis. Proceeds from the sale were used primarily to pay down existing borrowings under the Company’s then-existing revolving credit facility.

Included in the balance sheet at February 3, 2001, were approximately \$11 million of reserves related to contingencies and other post-closing adjustments including professional fees, severance and benefit-related items. As of May 5, 2001, approximately \$3.9 million of reserves remained on the balance sheet to cover additional contingencies related to the toy segment.

**Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**Cautionary Statement for Purposes of “Safe Harbor” Provisions of the Private Securities Litigation Reform Act of 1995**

The Private Securities Litigation Reform Act of 1995 (the “Act”) provides a “safe harbor” for forward-looking statements to encourage companies to provide prospective information, so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed in the statement. The Company wishes to take advantage of the “safe harbor” provisions of the Act.

Statements, other than those based on historical facts, which address activities, events or developments that the Company expects or anticipates may occur in the future are forward-looking statements, which are based upon a number of assumptions concerning future conditions that may ultimately prove to be inaccurate. Actual events and results may materially differ from anticipated results described in such statements. The Company’s ability to achieve such results is subject to certain risks and uncertainties, including, but not limited to, sourcing and purchasing merchandise, economic and weather conditions which affect buying patterns of the Company’s customers, changes in consumer spending and consumer debt levels, the Company’s ability to anticipate buying patterns and implement appropriate inventory strategies, continued availability of capital and financing, competitive factors and pricing pressures, and other risks described from time to time in the Company’s filings with the Securities and Exchange Commission. Consequently, all of the forward-looking statements are qualified by these cautionary statements and there can be no assurance that the results or developments anticipated by the Company will be realized or that they will have the expected effects on the Company or its business or operations.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date thereof. The Company undertakes no obligation to publicly release any revisions to the forward-looking statements contained in this release, or to update them to reflect events or circumstances occurring after the date of this release, or to reflect the occurrence of unanticipated events.

Recent Announcements

On May 16, 2001, the Company announced that it had changed its company name to Big Lots, Inc., and its ticker symbol to NYSE: BLI. The name change was approved at the Annual Stockholder’s Meeting on May 15, 2001. Also approved was a proposal to change the state of the Company’s incorporation from Delaware to Ohio. This change was affected by merging Consolidated Stores Corporation, a Delaware corporation (“Consolidated (Delaware)”), with and into the Company (the “Merger”). At the effective time of the Merger, the separate corporate existence of Consolidated (Delaware) ceased, and the Company succeeded to all the business, properties, assets and liabilities of Consolidated (Delaware). The shares of common stock of Consolidated (Delaware) issued and outstanding immediately prior to the effective time of the Merger did, by virtue of the Merger, convert into an equal number of shares of fully paid and non-assessable common shares of the Company.

As part of this change, all stores under the names of Odd Lots, Mac Frugal’s, and Pic “N’ Save will be converted to Big Lots over the next two years. The Company believes that Big Lots is its most recognizable brand name and this change will offer numerous opportunities to increase brand awareness among customers, suppliers, investors and the general public. The Company believes the change will also allow it to leverage future television advertising and other expenses.

Overview

The Company is the nation’s largest broadline closeout retailer. At May 5, 2001, the Company operated a total of 1,306 stores in 46 states, operating as BIG LOTS, BIG LOTS FURNITURE, ODD LOTS, PIC ’N’ SAVE and MAC FRUGAL’S BARGAINS•CLOSEOUTS. The Company’s goal is to build upon its leadership position by

expanding its market presence in both existing and new markets. The Company believes that the combination of its strengths make it a low-cost value retailer well positioned for future growth.

Wholesale operations are currently conducted through CONSOLIDATED INTERNATIONAL and WISCONSIN TOY.

The Company has historically experienced, and expects to continue to experience, seasonal fluctuations, with a significant percentage of its net sales and operating profit being realized in the fourth fiscal quarter. In addition, the Company’s quarterly results can be affected by the timing of store openings and closings, the amount of net sales contributed by new and existing stores and the timing of certain holidays. Furthermore, in anticipation of increased sales activity during the fourth fiscal quarter, the Company purchases substantial amounts of inventory during the second and third fiscal quarters and hires a significant number of temporary employees to bolster its stores staffing during the fourth fiscal quarter.

The seasonality of the Company’s business also influences the Company’s demand for seasonal borrowings. The Company traditionally has drawn upon its seasonal credit lines in the first three fiscal quarters and has substantially repaid the borrowings during the fourth fiscal quarter.

The following table compares components of the statements of operations of Big Lots, Inc., as a percent of net sales and reflects the number of stores in operation at the end of each period.

	Thirteen weeks ended	
	May 5, 2001	April 29, 2000
Net sales	100.0%	100.0%
Gross profit	40.6	42.0
Selling and administrative expenses	40.0	38.2
Operating profit	0.6	3.8
Interest expense	0.5	0.5
Income from continuing operations before income taxes	0.1	3.3
Income taxes	0.1	1.3
Income from continuing operations	0.0	2.0
Discontinued operations	0.0	(3.8)
Net income (loss)	0.0%	(1.8)%
Number of closeout stores in operation at End of period	1,306	1,246

Results of Operations

**Net Sales** Net sales increased \$50.5 million, or 6.9%, to \$773.6 million for the thirteen-week period ended May 5, 2001, from \$723.1 million in the same period of 2000. This increase was attributable to a 1.4% increase in comparable store sales for all stores open two years at the beginning of the fiscal year and sales from 18 new stores offset in part by the closing of 2 stores. On a comparable store basis, the value of the average customer basket increased 2.1% while the number of customer transactions decreased 0.7% for the thirteen week period ended May 5, 2001.

**Gross Profit** Gross profit increased \$10.2 million, or 3.3%, in the first quarter of 2001 to \$313.9 million from \$303.7 million in the first quarter of 2000. Gross profit as a percent to net sales was 40.6% in the 2001 quarter compared to 42.0% in the previous year quarter. The decline in gross profit percentage was primarily due to aggressive pricing and promotional selling of seasonal goods and a continued shift into consumable categories.

**Selling and Administrative Expenses** Selling and administrative expenses increased \$33.3 million in the first quarter of 2001 to \$309.8 million from \$276.5 million in the first quarter of 2000. As a percent to net sales, selling and administrative expenses increased to 40.0% from 38.2% in the prior year quarter. This rate increase was primarily driven by the de-leveraging of expense categories due to the first quarter comparable sales results, principally in the areas of store payroll, warehousing costs, and occupancy costs.

**Interest Expense** Interest expense for the first quarter of 2001 remained flat over the prior year quarter at \$3.6 million, and 0.5% as a percent to net sales.

**Income Taxes** The effective tax rate of the Company is anticipated to be 39.5% in fiscal 2001.

### Capital Resources and Liquidity

The primary sources of liquidity for the Company have been cash flow from operations and, as necessary, borrowings from available credit facilities. Working capital at May 5, 2001, was \$795.8 million and for the thirteen-week period then ended net cash used by operations was \$26.1 million and capital expenditures were \$29.6 million. At May 5, 2001, approximately \$139.8 million was available for borrowings under the then existing Credit Facility.

On May 8, 2001, the Company entered into a \$512.5 million Senior Unsecured Revolving Credit Agreement (“Revolving Credit Agreement”) with a group of financial institutions, including a \$358.75 million three-year revolving credit facility and a \$153.75 million 364-day facility, renewable annually. Based upon the Company’s current debt rating, borrowings under the Revolving Credit Agreement bear interest equal to LIBOR plus 125 basis points. The Revolving Credit Agreement replaced the Company’s \$500 million Senior Unsecured Bank Facility that was due to expire on May 6, 2002.

On May 8, 2001, the Company also completed a \$204 million private placement of unsecured senior notes (“Senior Notes”) with maturities ranging from four to six years. The Senior Notes carry a weighted average yield of 7.71% and rank parri passu with the Company’s Revolving Credit Agreement. Proceeds from the issue were used to pay down the Company’s previous bank facility. Summary terms of the note issuance are as follows:

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\$ 15 million	May 15, 2006	7.97%	7.79%
\$ 15 million	May 15, 2007	8.07%	7.89%

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Both the Revolving Credit Agreement and the Senior Notes contain customary affirmative and negative covenants including financial covenants requiring the maintenance of specified consolidated fixed charge coverage, leverage and minimum net worth ratios.

The Company continues to believe that it has, or if necessary has the ability to obtain, adequate resources to fund ongoing operating requirements, future capital expenditures related to the expansion of existing businesses, development of new projects and currently maturing obligations. Additionally, management is not aware of any current trends, events, demands, commitments or uncertainties which reasonably can be expected to have a material impact on the liquidity, capital resources, financial position or results of operations of the Company.

### Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

All aspects of the retailing industry are highly competitive. The Company competes with discount stores (such as Wal-Mart®, KMart®, Target®, Dollar General® and Family Dollar®), deep discount drugstore chains and other value-oriented specialty retailers. Certain of the Company’s competitors have greater financial, distribution, marketing and other resources than the Company.

The Company has no continuing contracts for the purchase of closeout merchandise and relies on buying opportunities from both existing and new sources, for which it competes with other closeout merchandisers and wholesalers. The Company believes that its management has long standing relationships with its suppliers and is competitively positioned to continue to seek new sources in order to maintain an adequate continuing supply of quality merchandise at attractive prices.

The Company is subject to market risk from exposure to changes in interest rates based on its financing, investing and cash management activities. The Company does not expect changes in interest rates in 2001 to have a material effect on income or cash flows; however, there can be no assurances that interest rates will not materially change.

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## Part II-Other Information

**Item 1. LEGAL PROCEEDINGS.** Not applicable

**Item 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.**

The following paragraphs summarize the material attributes of the Company’s Common Shares. The statements with respect to the Company’s Common Shares are brief summaries of the provisions set forth in the Amended Articles of Incorporation (the “Articles”) of the Company and the Code of Regulations (the “Regulations”) of the Company, which are filed as exhibits hereto. The following statements are qualified in their entirety by reference to the Articles and the Regulations.

### General

The Articles authorize 298,000,000 Company Common Shares and 2,000,000 preferred shares, \$0.01 par value (the “Preferred Shares”). As of May 15, 2001, the effective date of the Merger, 113,372,817 of the Company’s Common Shares were issued and outstanding and no Preferred Shares were issued and outstanding. The Articles authorize the Board of Directors of the Company to issue the Preferred Shares in one or more series and to establish the designations, preferences and rights, including voting rights, of each such series.

The Company’s Common Shares are listed on the New York Stock Exchange under the symbol “BLI.”

### Voting Rights

Quorum for Meeting of Shareholders

The Regulations provide that the holders of a majority of the voting power of the Company must be present in person or by proxy to constitute a quorum at any meeting of shareholders.

### General Voting Rights

Each Company Common Share entitles the holder thereof to one vote for the election of directors and for all other matters submitted to the shareholders of the Company for their consideration.

The Regulations provide that all elections of directors shall be determined by a plurality of the votes cast. Any other matters submitted to the shareholders for their vote shall be decided by the vote of such proportion of the shares, or of any class of shares, or of each class, as is required by law, the Articles or the Regulations.

Under the provisions of the Articles, the vote required for approval of significant corporate transactions such as a merger, consolidation, combination or majority share acquisition involving the Company, the dissolution of the Company, the sale, lease, exchange, transfer or other disposition of all or substantially all of the assets of the Company or the amendment of the Articles, shall be the vote of the holders of shares entitling them to exercise a majority of the voting power of the Company. The Regulations may be amended, or new regulations may be adopted, at a meeting of shareholders by the affirmative vote of the holders of shares entitling them to exercise not less than a majority of the voting power of the Company, or without a meeting by the written consent of the holders of shares entitling them to exercise not less than two-thirds of the voting power of the Company.

Cumulative Voting

Shareholders of the Company do not have the right of cumulative voting in the election of directors.

Number of Directors

Until changed by the amendment of the Regulations, by the adoption of new regulations or by the directors, the number of directors shall be nine. The Regulations authorize the directors to change the number of directors, provided that the directors may not reduce the number of directors to less than nine or increase the number of directors to more than eleven.

Removal of Directors and Filling of Vacancies

The Regulations provide that a director or directors may be removed from office, with or without cause, by the vote of the holders of shares entitling them to exercise not less than a majority of the voting power of the corporation in the election of directors. Vacancies in the Board of Directors and any newly-created directorships resulting from any increase in the number of directors may be filled by the affirmative vote of a majority of the directors then in office or by the shareholders of the Company.

Pre-Emptive Rights

Under the Articles, shareholders of the Company do not have pre-emptive rights.

Repurchases

The Company has the right to repurchase, if and when any shareholder desires to sell, or on the happening of any event is required to sell, shares of any class or series issued by the Company. However, the Company may not repurchase shares if immediately thereafter its assets would be less than its liabilities plus its stated capital, if any, or if the Company is insolvent or there is reasonable ground to believe it would be rendered insolvent by such purchase.

Dividend Rights

The Company may pay dividends in an amount which does not exceed the combination of the surplus of the Company and the difference between (a) the reduction in surplus that results from the immediate recognition of the transition obligation under Statement of Financial Accounting Standards No. 106 (“SFAS No. 106”) issued by the Financial Accounting Standards Board and (b) the aggregate amount of the transition obligation that would have been recognized as of the date of the declaration of a dividend or distribution if the Company had elected to amortize its recognition of the transition obligation under SFAS No. 106. No dividend may be paid to the holders of shares of any class in violation of the rights of the holders of shares of any other class, or when the Company is insolvent or there is reasonable ground to believe that by such payment it would be rendered insolvent. The Company must notify its shareholders if a dividend is paid out of capital surplus.

Liquidation Rights

In the event of any dissolution, liquidation or winding up of the affairs of the Company, the holders of the Company’s Common Shares will be entitled, after payment or provision for payment in full of the debts and other liabilities of the Company and the amounts to which the holders of Preferred Shares, if any, may be entitled, to share ratably in the remaining assets of the Company available for distribution to its shareholders.

Item 3. DEFAULTS UPON SENIOR SECURITIES. Not applicable

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS. Not applicable

Item 5. OTHER INFORMATION. Not applicable

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

a) Exhibits

Exhibit No.	Document
2	Agreement of Merger dated as of May 15, 2001
3(a)	Amended Articles of Incorporation of Big Lots, Inc. dated as of May 15, 2001
3(b)	Code of Regulations of Big Lots, Inc.
4(a)	Amended Common Stock Certificate of Big Lots, Inc. as of May 16, 2001, CUSIP 089302 10 3
10(a)	Note Purchase Agreement dated as of May 1, 2001.
10(b)	Credit Agreement dated as of May 8, 2001

b) Reports on Form 8-K. None

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**BIG LOTS, INC.**  
(Registrant)

Dated: June 15, 2001

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By: /s/MARK D. SHAPIRO

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Mark D. Shapiro  
*Senior Vice President, and  
Chief Financial Officer*

## AGREEMENT OF MERGER

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AGREEMENT OF MERGER ("Merger Agreement"), dated as of May 15, 2001, by and between CONSOLIDATED STORES, INC., a Delaware corporation ("CONSOLIDATED DELAWARE"), and BIG LOTS, INC., an Ohio corporation ("BIG LOTS OHIO"). CONSOLIDATED DELAWARE and BIG LOTS OHIO are hereinafter sometimes collectively referred to as the "Constituent Corporations."

## WITNESSETH:

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WHEREAS, the authorized capital stock of BIG LOTS OHIO consists of 298,000,000 Common Shares, par value \$.01 per share, 1,000 of which are issued and outstanding and owned by CONSOLIDATED DELAWARE; and 2,000,000 Preferred Shares, par value \$.01 per share, none of which have been issued; and

WHEREAS, CONSOLIDATED DELAWARE, as the sole shareholder of BIG LOTS OHIO, desires to effect a merger of CONSOLIDATED DELAWARE with and into BIG LOTS OHIO pursuant to the provisions of the General Corporation Law of the State of Delaware (the "DGCL") and the General Corporation Law of the State of Ohio (the "OGCL"); and

WHEREAS, the respective Boards of Directors of CONSOLIDATED DELAWARE and BIG LOTS OHIO have determined that it is advisable and in the best interest of each of such corporations that CONSOLIDATED DELAWARE merge with and into BIG LOTS OHIO upon the terms and subject to the conditions herein provided; and

WHEREAS, the Board of Directors of BIG LOTS OHIO has, by resolution duly adopted, approved this Merger Agreement and directed that it be executed by the undersigned officers; and

WHEREAS, the Board of Directors of CONSOLIDATED DELAWARE has, by resolution duly adopted, approved this Merger Agreement and directed that it be executed by the undersigned officers and that it be submitted to a vote of the stockholders of CONSOLIDATED DELAWARE;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties agree that CONSOLIDATED DELAWARE shall be merged with and into BIG LOTS OHIO and that the terms and conditions of the merger, the mode of carrying the merger into effect, the manner of converting the shares of the Constituent Corporations and certain other provisions relating thereto shall be as hereinafter set forth.

## ARTICLE I

## THE MERGER

SECTION 1.01. SURVIVING CORPORATION. Subject to the terms and provisions of this Merger Agreement, and in accordance with the DGCL and the OGCL, at the Effective Time (as defined in Section 1.07 hereof), CONSOLIDATED DELAWARE shall be merged with and into BIG LOTS OHIO (the "Merger"). BIG LOTS OHIO shall be the surviving corporation (hereinafter sometimes called the "Surviving Corporation") of the Merger and shall continue its corporate existence under the laws of the State of Ohio. At the Effective Time, the separate corporate existence of CONSOLIDATED DELAWARE shall cease.

SECTION 1.02. EFFECTS OF THE MERGER. At the Effective Time, the Merger shall have the effects provided for herein and in Section 1701.82 of the OGCL and Section 259 of the DGCL.

SECTION 1.03. ARTICLES OF INCORPORATION. As of the Effective Time, the Articles of Incorporation of BIG LOTS OHIO, as in effect immediately prior to the Effective Time, shall be amended and replaced in their entirety by the Amended Articles of Incorporation attached hereto as Annex I, which Amended Articles of Incorporation shall become, at the Effective Time, the articles of incorporation of the Surviving Corporation until thereafter duly amended in accordance with the provisions thereof and applicable law.

SECTION 1.04. REGULATIONS. As of the Effective Time, the Code of Regulations of BIG LOTS OHIO, as in effect immediately prior to the Effective Time, shall be the regulations of the Surviving Corporation until thereafter duly amended in accordance with the provisions thereof, the articles of incorporation of the Surviving Corporation and applicable law.

SECTION 1.05. DIRECTORS OF THE SURVIVING CORPORATION. At and after the Effective Time and until changed in the manner provided in the regulations or the articles of incorporation of the Surviving Corporation or as otherwise provided by law, the number of directors of the Surviving Corporation shall be the number of directors of CONSOLIDATED DELAWARE immediately prior to the Effective Time. At the Effective Time, each person who is a director of CONSOLIDATED DELAWARE immediately prior to the Effective Time shall become a director of the Surviving Corporation and each such person shall serve as a director of the Surviving Corporation for the balance of the term for which such person was elected a director of CONSOLIDATED DELAWARE and until his or her successor is duly elected and qualified in the manner provided in the regulations or the articles of incorporation of the Surviving Corporation or as otherwise provided by law or until his or her earlier death, resignation or removal in the manner provided in the regulations or the articles of incorporation of the Surviving Corporation or as otherwise provided by law.

SECTION 1.06. OFFICERS OF THE SURVIVING CORPORATION. At the Effective Time, each person who is an officer of CONSOLIDATED DELAWARE immediately prior to the Effective Time shall become an officer of the Surviving Corporation with each such person to hold the same

office in the Surviving Corporation, in accordance with the regulations thereof, as he or she held in CONSOLIDATED DELAWARE immediately prior to the Effective Time.

SECTION 1.07. EFFECTIVE TIME. The Merger shall become effective in accordance with the provisions of Section 1701.81 of the OGCL and Sections 252, 253 and 103 of the DGCL, upon the later to occur of (a) completion of the filing of a certificate of merger with the Secretary of State of the State of Ohio, and (b) completion of the filing of a certificate of merger with the Secretary of State of the State of Delaware. The date and time when the Merger shall become effective is herein referred to as the "Effective Time."

SECTION 1.08. CUMULATIVE VOTING. At and after the Effective Time, no holder of shares of BIG LOTS OHIO shall be entitled to vote cumulatively in the election of directors.

SECTION 1.09. ADDITIONAL ACTIONS. If, at any time after the Effective Time, the Surviving Corporation shall consider or be advised that any further deeds, assignments or assurances in law or any other acts are necessary or desirable (a) to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation, title to and possession of any property or right of CONSOLIDATED DELAWARE acquired or to be acquired by reason of, or as a result of, the Merger, or (b) otherwise to carry out the purposes of this Merger Agreement, CONSOLIDATED DELAWARE and its proper officers and directors shall be deemed to have granted hereby to the Surviving Corporation an irrevocable power of attorney to execute and deliver all such proper deeds, assignments and assurances in law and to do all acts necessary and proper to vest, perfect or confirm title to and the possession of such property or rights in the Surviving Corporation and otherwise to carry out the purposes of this Merger Agreement; and the proper officers and directors of the Surviving Corporation are hereby fully authorized in the name of CONSOLIDATED DELAWARE or otherwise to take any and all such action.

## ARTICLE II

### MANNER, BASIS AND EFFECT OF CONVERTING SHARES

SECTION 2.01. CONVERSION OF SHARES. At the Effective Time:

(a) Each share of Common Stock, par value \$0.01 per share (the "CONSOLIDATED DELAWARE Shares"), of CONSOLIDATED DELAWARE issued and outstanding immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into one fully paid and nonassessable Common Share, par value \$.01 per share (the "BIG LOTS OHIO Common Shares"), of BIG LOTS OHIO.

(b) Each CONSOLIDATED DELAWARE Share held in the treasury of CONSOLIDATED DELAWARE immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of CONSOLIDATED DELAWARE, be converted into one fully paid and nonassessable BIG LOTS OHIO Common Share and shall be held in the treasury of the Surviving Corporation; and

(c) Each BIG LOTS OHIO Common Share, issued and outstanding immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, be canceled and retired and shall cease to exist, and shall not be converted into shares of the Surviving Corporation or the right to receive cash or any other property.

SECTION 2.02. EFFECT OF CONVERSION. At and after the Effective Time, each share certificate which immediately prior to the Effective Time represented outstanding CONSOLIDATED DELAWARE Shares (a "Delaware Certificate") shall be deemed for all purposes to evidence ownership of, and to represent, the number of BIG LOTS OHIO Common Shares into which the CONSOLIDATED DELAWARE Shares represented by such Delaware Certificate immediately prior to the Effective Time have been converted pursuant to Section 2.01 hereof. The registered holder of any Delaware Certificate outstanding immediately prior to the Effective Time, as such holder appears in the books and records of CONSOLIDATED DELAWARE or its transfer agent immediately prior to the Effective Time, shall, until such Delaware Certificate is surrendered for transfer or exchange, have and be entitled to exercise any voting and other rights with respect to and to receive any dividends or other distributions on the BIG LOTS OHIO Common Shares into which the CONSOLIDATED DELAWARE Shares represented by any such Delaware Certificate have been converted pursuant to Section 2.01 hereof.

SECTION 2.03. EXCHANGE OF CERTIFICATES. Each holder of a Delaware Certificate shall, upon the surrender of such Delaware Certificate to BIG LOTS OHIO or its transfer agent for cancellation after the Effective Time, be entitled to receive from BIG LOTS OHIO or its transfer agent a certificate (an "Ohio Certificate") representing the number of BIG LOTS OHIO Common Shares into which the CONSOLIDATED DELAWARE Shares represented by such Delaware Certificate have been converted pursuant to Section 2.01 hereof. If any such Ohio Certificate is to be issued in a name other than that in which the Delaware Certificate surrendered for exchange is registered, it shall be a condition of such exchange that the Delaware Certificate so surrendered shall be properly endorsed or otherwise in proper form for transfer and that the person requesting such exchange shall either pay any transfer or other taxes required by reason of the issuance of the Ohio Certificate in a name other than that of the registered holder of the Delaware Certificate surrendered, or establish to the satisfaction of BIG LOTS OHIO or its transfer agent that such tax has been paid or is not applicable.

#### SECTION 2.04. INCENTIVE PLANS.

(a) Each option to purchase CONSOLIDATED DELAWARE Shares granted under the Consolidated Stores Corporation 1996 Performance Incentive Plan (as amended, the "Incentive Plan") which is outstanding immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder of any such option, be converted into and become an option to purchase the same number of BIG LOTS OHIO Common Shares as the number of CONSOLIDATED DELAWARE Shares which were subject to such option immediately prior to the Effective Time at the same option price per share and upon the same terms and subject to the same conditions as are in effect at the Effective Time. The Surviving Corporation shall reserve for purposes of the Incentive Plan a number of BIG LOTS OHIO

Common Shares equal to the number of CONSOLIDATED DELAWARE Shares reserved by CONSOLIDATED DELAWARE for issuance under the Incentive Plan as of the Effective Time. As of the Effective Time, BIG LOTS OHIO hereby assumes that the Incentive Plan and all obligations of CONSOLIDATED DELAWARE under the Incentive Plan including the outstanding options granted pursuant thereto.

(b) The 1998 Consolidated Stores Corporation Key Associate Annual Incentive Compensation Plan (as amended, the "Bonus Plan") shall become an identical plan of the Surviving Corporation at the Effective Time, automatically and without further act of either of the Constituent Corporations or any participant thereunder, and each person who is a participant under the Bonus Plan shall thereafter continue to participate thereunder upon identical terms and conditions.

### ARTICLE III

#### APPROVAL; AMENDMENT; TERMINATION; MISCELLANEOUS

SECTION 3.01. APPROVAL. This Merger Agreement has been submitted for approval by the stockholders of CONSOLIDATED DELAWARE at a meeting of such stockholders.

SECTION 3.02. AMENDMENT. Subject to applicable law, this Merger Agreement may be amended, modified or supplemented by written agreement of the Constituent Corporations, after authorization of such action by the Boards of Directors of the Constituent Corporations, at any time prior to the filing of certificates of merger, as contemplated by Section 1.07 of this Merger Agreement, with the Secretary of State of the State of Delaware and with the Secretary of State of the State of Ohio, except that after the approval contemplated by Section 3.01 hereof, there shall be no amendments that would (a) alter or change the amount or kind of shares or other property to be received by the holders of any class or series of shares of either of the Constituent Corporations in the Merger, (b) alter or change any term of the Articles of Incorporation or Code of Regulations of BIG LOTS OHIO, or (c) alter or change any of the terms and conditions of this Merger Agreement if such alteration or change would adversely affect the holders of any class or series of shares of either of the Constituent Corporations.

SECTION 3.03. ABANDONMENT. At any time prior to the filing of certificates of merger, as contemplated by Section 1.07 of this Merger Agreement, with the Secretary of State of the State of Delaware and with the Secretary of State of the State of Ohio, this Merger Agreement may be terminated and the Merger may be abandoned by the Board of Directors of either BIG LOTS OHIO or CONSOLIDATED DELAWARE, or both, notwithstanding approval of this Merger Agreement by the stockholders of CONSOLIDATED DELAWARE.

SECTION 3.04. COUNTERPARTS. This Merger Agreement may be executed in one or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, taken together, shall be deemed to constitute a single instrument.

SECTION 3.05. DESIGNATED AGENT IN DELAWARE. The Surviving Corporation agrees that it may be served with process in the State of Delaware in any proceeding for enforcement of any obligation of CONSOLIDATED DELAWARE, as well as for enforcement of any obligation of the Surviving Corporation arising from the Merger, and the Surviving Corporation irrevocably appoints the Secretary of State of the State of Delaware as its agent to accept service of process in any such suit or other proceeding; a copy of such process shall be mailed by the Secretary of State of the State of Delaware to:

Charles W. Haubiel II  
300 Phillipi Road  
Columbus, OH 43228

IN WITNESS WHEREOF, CONSOLIDATED DELAWARE, and BIG LOTS OHIO have caused this Merger Agreement to be signed by their respective duly authorized officers as of the date first above written.

Attest: BIG LOTS, INC.,  
an Ohio corporation

By: /s/ Chadwick P. Reynolds	By: /s/ Charles W. Haubiel II
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Chadwick P. Reynolds	Charles W. Haubiel II
Asst. Secretary	Vice President, General Counsel & Secretary

Attest: CONSOLIDATED STORES CORPORATION,  
a Delaware corporation

By: /s/ Chadwick P. Reynolds	By: /s/ Charles W. Haubiel II
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Chadwick P. Reynolds	Charles W. Haubiel II
Asst. Secretary	Vice President, General Counsel & Secretary

AMENDED ARTICLES OF INCORPORATION  
OF  
BIG LOTS, INC.

FIRST: The name of the corporation shall be Big Lots, Inc.

SECOND: The place in Ohio where the principal office of the corporation is to be located is in the City of Columbus, County of Franklin.

THIRD: The purpose for which the corporation is formed is to engage in any lawful act or activity for which corporations may be formed under Sections 1701.01 to 1701.98 of the Ohio Revised Code.

FOURTH: The authorized number of shares of the corporation shall be Three Hundred Million (300,000,000), consisting of Two Hundred Ninety-Eight Million (298,000,000) common shares, \$.01 par value per share (the "Common Shares"), and Two Million (2,000,000) preferred shares, \$.01 par value (the "Preferred Shares").

The directors of the corporation are authorized to adopt amendments to the Amended Articles of Incorporation in respect of any unissued Preferred Shares and thereby to fix or change, to the fullest extent now or hereafter permitted by Ohio law: the division of such shares into series and the designation and authorized number of shares of each series; the dividend or distribution rights; dividend rate; liquidation rights, preferences and price; redemption rights and price; sinking fund requirements; voting rights; pre-emptive rights; conversion rights; restrictions on issuance of shares; and such other rights, preferences and limitations as shall not be inconsistent with this Article FOURTH. No vote of the holders of Common Shares, as a class, shall be required in connection with the authorization by the directors of shares of any class, or series of any class, that are convertible into Common Shares.

FIFTH: The directors of the corporation shall have the power to cause the corporation from time to time and at any time to purchase, hold, sell, transfer or otherwise deal with (A) shares of any class or series issued by it, (B) any security or other obligation of the corporation which may confer upon the holder thereof the right to convert the same into shares of any class or series authorized by the articles of the corporation, and (C) any security or other obligation which may confer upon the holder thereof the right to purchase shares of any class or series authorized by the articles of the corporation. The corporation shall have the right to repurchase, if and when any shareholder desires to sell, or on the happening of any event is required to sell, shares of any class or series issued by the corporation. The authority granted in this Article FIFTH of these Articles shall not limit the plenary authority of the directors to purchase, hold, sell, transfer or otherwise deal with shares of any class or series, securities or other obligations issued by the corporation or authorized by its articles.

SIXTH: No shareholder of the corporation shall have, as a matter of right, the pre-emptive right to purchase or subscribe for shares of any class, now or hereafter authorized, or to purchase or subscribe for securities or other obligations convertible into or exchangeable for such shares

or which by warrants or otherwise entitle the holders thereof to subscribe for or purchase any such share.

SEVENTH: Shareholders of the corporation shall not have the right to vote cumulatively in the election of directors.

EIGHTH: Notwithstanding any provision of the Ohio Revised Code requiring for any purpose the vote, consent, waiver or release of the holders of shares of the corporation entitling them to exercise two-thirds or any other proportion of the voting power of the corporation or of any class or classes thereof, such action, unless expressly otherwise provided by statute, may be taken by the vote, consent, waiver or release of the holders of the shares entitling them to exercise not less than a majority of the voting power of the corporation or of such class or classes.

NINTH: These Amended Articles of Incorporation take the place of and supersede the existing articles of incorporation of Big Lots, Inc.

CODE OF REGULATIONS  
OF  
BIG LOTS, INC.

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CODE OF REGULATIONS  
OF  
BIG LOTS, INC.

ARTICLE ONE  
MEETINGS OF SHAREHOLDERS

SECTION 1.01. ANNUAL MEETINGS. The annual meeting of the shareholders for the election of directors, for the consideration of reports to be laid before such meeting and for the transaction of such other business as may properly come before such meeting, shall be held on such date, at such time and at such place as may be fixed from time to time by the directors.

SECTION 1.02. CALLING OF MEETINGS. Meetings of the shareholders may be called only by the chairman of the board, the chief executive officer, the president, or, in case of the president's absence, death, or disability, the vice president or other officer authorized to exercise the authority of the president; the secretary; the directors by action at a meeting, or a majority of the directors acting without a meeting; or the holders of at least twenty-five percent (25%) of all shares outstanding and entitled to vote thereat.

SECTION 1.03. PLACE OF MEETINGS. Meetings of shareholders may be held either within or outside the State of Ohio. Meetings of shareholders may be held in any manner or place determined by the board of directors and permitted by Ohio law.

SECTION 1.04. NOTICE OF MEETINGS. (A) Written notice stating the time, place, if any, and purposes of a meeting of the shareholders, and any other matters related to the conduct of the meeting required by Ohio law to be specified, shall be given by personal delivery, by mail or by any other means of delivery or communication permitted by Ohio law. Any such notice shall be given not less than seven nor more than sixty days before the date of the meeting, (1) to every shareholder of record entitled to notice of the meeting, (2) by or at the direction of the chairman of the board, the chief executive officer, the president or the secretary. If mailed or sent by a delivery service permitted by Ohio law, the notice shall be sent to the shareholder at the shareholder's address as it appears on the records of the corporation. If transmitted by another means of communication in the manner permitted by Ohio law, the notice shall be transmitted to the address furnished by the shareholder for such transmissions. Notice of adjournment of a meeting need not be given if the time and place, if any, to which it is adjourned and any other matters related to the conduct of the adjourned meeting required by Ohio law to be specified, shall be fixed and announced at such meeting. In the event of a transfer of shares after the record date for determining the shareholders who are entitled to receive notice of a meeting of shareholders, it shall not be necessary to give notice to the transferee. Nothing herein contained shall prevent the setting of a record date in the manner provided by Ohio law, the Articles or the Regulations for the determination of shareholders who are entitled to receive notice of or to vote at any meeting of shareholders or for any purpose required or permitted by law.

(B) Following receipt by the president or the secretary of a request in writing, specifying the purpose or purposes for which the persons properly making such request have called a meeting of shareholders, delivered either in person or by registered mail to such officer

by any persons entitled to call a meeting of shareholders, such officer shall cause to be given to the shareholders entitled to notice, notice of a meeting to be held on a date not less than seven nor more than sixty days after the receipt of the request, as the officer may fix. If the notice is not given within fifteen days after the receipt of the request by the president or the secretary, then, and only then, the persons properly calling the meeting may fix the time of meeting and give notice on the time of meeting in accordance with the provisions of the Regulations.

SECTION 1.05. WAIVER OF NOTICE. Notice of the time, place and purpose or purposes of any meeting of shareholders may be waived in writing, either before or after the holding of such meeting, by any shareholder, which writing shall be filed with or entered upon the records of such meeting. The attendance of any shareholder, in person or by proxy, at any such meeting without protesting the lack of proper notice, prior to or at the commencement of the meeting, shall be deemed to be a waiver by such shareholder of notice of such meeting.

SECTION 1.06. QUORUM. At any meeting of shareholders, the holders of a majority of the voting shares of the corporation then outstanding and entitled to vote thereat, present in person or by proxy, shall constitute a quorum for such meeting. The holders of a majority of the voting shares represented at a meeting, whether or not a quorum is present, or the chairman of the board, the chief executive officer, the president, or the officer of the corporation acting as chairman of the meeting, may adjourn such meeting from time to time, and if a quorum is present at such adjourned meeting any business may be transacted as if the meeting had been held as originally called.

SECTION 1.07. VOTES REQUIRED. At all elections of directors, the candidates receiving the greatest number of votes shall be elected. Any other matter submitted to the shareholders for their vote shall be decided by the vote of such proportion of the shares, or of any class of shares, or of each class, as is required by law, the Articles or the Regulations.

SECTION 1.08. ORDER OF BUSINESS. The order of business at any meeting of shareholders shall be determined by the officer of the corporation acting as chairman of such meeting unless otherwise determined by a vote of the holders of a majority of the voting shares of the corporation then outstanding, present in person or by proxy, and entitled to vote at such meeting.

SECTION 1.09. SHAREHOLDERS ENTITLED TO VOTE. Each shareholder of record on the books of the corporation on the record date for determining the shareholders who are entitled to vote at a meeting of shareholders shall be entitled at such meeting to one vote for each share of the corporation standing in his name on the books of the corporation on such record date. The directors may fix a record date for the determination of the shareholders who are entitled to receive notice of and to vote at a meeting of shareholders, which record date shall not be a date earlier than the date on which the record date is fixed and which record date may be a maximum of sixty days preceding the date of the meeting of shareholders.

SECTION 1.10. PROXIES. At meetings of the shareholders, any shareholder of record entitled to vote thereat may be represented and may vote by proxy or proxies appointed by an instrument in writing signed by such shareholder or appointed in any other manner permitted by Ohio law. Any such instrument in writing or record of any such appointment shall be filed with

or received by the secretary of the meeting before the person holding such proxy shall be allowed to vote thereunder. No appointment of a proxy is valid after the expiration of eleven months after it is made unless the writing or other communication which appoints such proxy specifies the date on which it is to expire or the length of time it is to continue in force.

SECTION 1.11. INSPECTORS OF ELECTION. In advance of any meeting of shareholders, the directors may appoint inspectors of election to act at such meeting or any adjournment thereof. If inspectors are not so appointed, the officer of the corporation acting as chairman of any such meeting may make such appointment. In case any person appointed as inspector fails to appear or act, the vacancy may be filled only by appointment made by the directors in advance of such meeting or, if not so filled, at the meeting by the officer of the corporation acting as chairman of such meeting. No other person or persons may appoint or require the appointment of inspectors of election.

SECTION 1.12. CHAIRMAN OF MEETING. At each meeting of shareholders, the chairman of the board, or in the absence of the chairman of the board, the chief executive officer, or in the absence of the chief executive officer, the president, or in the absence of the president, any vice president or other officer authorized by the directors to act as chairman, or, in the absence of the chairman, the chief executive officer, the president or a duly authorized vice president or other officer, a chairman chosen by a majority of the voting shares of the Corporation then outstanding, present in person or by proxy, and entitled to vote at such meeting, shall act as chairman of the meeting.

## ARTICLE TWO

### DIRECTORS

SECTION 2.01. AUTHORITY AND QUALIFICATIONS. Except where the law, the Articles or the Regulations otherwise provide, all authority of the corporation shall be vested in and exercised by its directors. Directors need not be shareholders of the corporation.

#### SECTION 2.02. NUMBER OF DIRECTORS.

(A) Until changed by the amendment of the Regulations, by the adoption of new regulations or by action of the directors pursuant to subsection (C) hereof, the number of directors of the corporation shall be nine.

(B) At each annual meeting of shareholders, directors shall be elected to serve until the next annual meeting of shareholders and until their respective successors are elected and qualified or until their earlier resignation or removal.

(C) The directors may change the number of directors and may fill any vacancy that is created by an increase in the number of directors; PROVIDED, HOWEVER, that the directors may not reduce the number of directors to less than nine or increase the number of directors to more than eleven.

SECTION 2.03. ELECTION. At each annual meeting of shareholders for the election of directors, the successors to the directors shall be elected, but if the annual meeting is not held or if one or more of such directors are not elected thereat, they may be elected at a special meeting called for that purpose. The election of directors shall be by ballot whenever requested by the presiding officer of the meeting or by the holders of a majority of the voting shares outstanding, entitled to vote at such meeting and present in person or by proxy, but unless such request is made, the election shall be viva voce.

SECTION 2.04. REMOVAL. A director or directors may be removed from office, with or without assigning any cause, only by the vote of the holders of shares entitling them to exercise not less than a majority of the voting power of the corporation to elect directors in place of those to be removed. In case of any such removal, a new director may be elected at the same meeting for the unexpired term of each director removed. Failure to elect a director to fill the unexpired term of any director removed shall be deemed to create a vacancy in the board.

SECTION 2.05. VACANCIES. The remaining directors, though less than a majority of the whole authorized number of directors, may, by the vote of a majority of their number, fill any vacancy in the board for the unexpired term. A vacancy in the board exists within the meaning of this Section 2.05 in the event that the shareholders increase the authorized number of directors but fail at the meeting at which such increase is authorized, or an adjournment thereof, to elect the additional directors provided for, or in case the shareholders fail at any time to elect the whole authorized number of directors.

SECTION 2.06. MEETINGS. A meeting of the directors shall be held immediately following the adjournment of each annual meeting of shareholders at which directors are elected, and notice of such meeting need not be given. The directors shall hold such other meetings as may from time to time be called, and such other meetings of directors may be called only by the chairman of the board, the chief executive officer, the president or any two directors. All meetings of directors shall be held at the principal office of the corporation in Columbus or at such other place within or without the State of Ohio or in such other manner as permitted by Ohio law, as the directors may from time to time determine by a resolution. Meetings of the directors may be held through any communications equipment if all persons participating can hear each other and participation in a meeting pursuant to this provision shall constitute presence at such meeting. At each meeting of the directors, the chairman of the board, or in the absence of the chairman of the board, the chief executive officer, or in the absence of the chief executive officer, the president shall act as chairman of the meeting.

SECTION 2.07. NOTICE OF MEETINGS. Notice of the time and place of each meeting of directors for which such notice is required by law, the Articles, the Regulations or the By-Laws shall be given to each of the directors by at least one of the following methods:

(A) In a writing mailed not less than three days before such meeting and addressed to the residence or usual place of business of a director, as such address appears on the records of the corporation; or

(B) By telegraph, cable, radio, wireless, facsimile or a similar writing sent or delivered to the residence or usual place of business of a director as the same appears on the records of the corporation, not later than the day before the date on which such meeting is to be held; or

(C) Personally or by telephone not later than the day before the date on which such meeting is to be held.

Notice given to a director by any one of the methods specified in the Regulations shall be sufficient, and the method of giving notice to all directors need not be uniform. Notice of any meeting of directors may be given only by the chairman of the board, the chief executive officer, the president or the secretary of the corporation. Any such notice need not specify the purpose or purposes of the meeting. Notice of adjournment of a meeting of directors need not be given if the time and place to which it is adjourned are fixed and announced at such meeting.

SECTION 2.08. WAIVER OF NOTICE. Notice of any meeting of directors may be waived in writing, either before or after the holding of such meeting, by any director, which writing shall be filed with or entered upon the records of the meeting. The attendance of any director at any meeting of directors without protesting, prior to or at the commencement of the meeting, the lack of proper notice, shall be deemed to be a waiver by him of notice of such meeting.

SECTION 2.09. QUORUM. A majority of the whole authorized number of directors shall be necessary to constitute a quorum for a meeting of directors, except that a majority of the directors in office shall constitute a quorum for filling a vacancy in the board. The act of a majority of the directors present at a meeting at which a quorum is present is the act of the board, except as otherwise provided by law, the Articles or the Regulations.

SECTION 2.10. EXECUTIVE AND OTHER COMMITTEES. The directors may create an executive committee or any other committee of directors, to consist of one or more directors (subject to any other requirements as to the number of directors serving on a committee that may be imposed by law or the rules and regulations of the Securities and Exchange Commission or any other regulatory authority), and may authorize the delegation to such executive committee or other committees, of any of the authority of the directors, however conferred, other than that of filling vacancies among the directors or in the executive committee or in any other committee of the directors. The directors may appoint one or more directors as alternate members of any such executive committee or any other committee of directors who may take the place of any absent member or members at any meeting of a particular committee.

Such executive committee or any other committee of directors shall serve at the pleasure of the directors, shall act only in the intervals between meetings of the directors and shall be subject to the control and direction of the directors. Such executive committee or other committee of directors may act by a majority of its members at a meeting or by a writing or writings signed by all of its members.

Any act or authorization of any act by the executive committee or any other committee within the authority delegated to it shall be as effective for all purposes as the act or

authorization of the directors. No notice of a meeting of the executive committee or of any other committee of directors shall be required. A meeting of the executive committee or of any other committee of directors may be called only by the chairman of the board, the chief executive officer or the president or by a member of such executive or other committee of directors. Meetings of the executive committee or of any other committee of directors may be held through any communications equipment if all persons participating can hear each other and participation in such a meeting shall constitute presence thereat.

SECTION 2.11. COMPENSATION. Directors shall be entitled to receive as compensation for services rendered and expenses incurred as directors, such amounts as the directors may determine.

SECTION 2.12. BY-LAWS. The directors may adopt, and amend from time to time, By-Laws for their own government, which By-Laws shall not be inconsistent with Ohio law, the Articles or the Regulations.

### ARTICLE THREE

#### OFFICERS

SECTION 3.01. OFFICERS. The officers of the corporation to be elected by the directors shall be a chairman of the board, a chief executive officer, a president, a secretary, a treasurer and, if desired, one or more vice presidents and such other officers and assistant officers as the directors may from time to time elect. The chairman of the board must be a director. Officers need not be shareholders of the corporation, and may be paid such compensation as the board of directors may determine. Any two or more offices may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law, the Articles, the Regulations or the By-Laws to be executed, acknowledged or verified by two or more officers.

SECTION 3.02. TENURE OF OFFICE. The officers of the corporation shall hold office at the pleasure of the directors. Any officer of the corporation may be removed, either with or without cause, at any time, by the affirmative vote of a majority of all the directors then in office. Such removal, however, shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 3.03. DUTIES OF THE CHAIRMAN OF THE BOARD. The chairman of the board, if there shall be such an officer, shall preside at all meetings of the directors and of the shareholders. He shall perform such other duties and exercise such other powers as the directors shall from time to time assign to him.

SECTION 3.04. DUTIES OF THE CHIEF EXECUTIVE OFFICER. The chief executive officer of the corporation shall have, subject to the control of the directors and the chairman of the board, general supervision and management over the business of the corporation and over its officers and employees. The chief executive officer shall perform such other duties and exercise such

other powers as the directors may from time to time assign to him. In the absence of the chairman of the board, the chief executive officer shall preside at all meetings of the directors and of the shareholders.

SECTION 3.05. DUTIES OF THE PRESIDENT. The president of the corporation shall have, subject to the control of the directors, the chairman of the board and the chief executive officer, general and active supervision and management over the business of the corporation and over its officers and employees. The president shall perform such other duties and exercise such other powers as the directors may from time to time assign to him. In the absence of the chairman of the board and the chief executive officer, the president shall preside at all meetings of the directors and of the shareholders.

SECTION 3.06. DUTIES OF THE VICE PRESIDENTS. Each vice president shall perform such duties and exercise such powers as may be assigned to him from time to time by the directors, the chairman of the board, the chief executive officer or the president.

SECTION 3.07. DUTIES OF THE SECRETARY. It shall be the duty of the secretary, or of an assistant secretary, if any, in case of the absence or inability to act of the secretary, to keep minutes of all the proceedings of the shareholders and the directors and to make a proper record of the same; to perform such other duties as may be required by law, the Articles or the Regulations; to perform such other and further duties as may from time to time be assigned to him by the directors, the chairman of the board, the chief executive officer or the president; and to deliver all books, paper and property of the corporation in his possession to his successor, or to the chairman of the board, the chief executive officer or the president.

SECTION 3.08. DUTIES OF THE TREASURER. The treasurer, or an assistant treasurer, if any, in case of the absence or inability to act of the treasurer, shall receive and safely keep in charge all money, bills, notes, choses in action, securities and similar property belonging to the corporation, and shall do with or disburse the same as directed by the directors, the chairman of the board, the chief executive officer or the president; shall keep an accurate account of the finances and business of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, stated capital and shares, together with such other accounts as may be required and hold the same open for inspection and examination by the directors; shall give bond in such sum with such security as the directors may require for the faithful performance of his duties; shall perform such other duties as from time to time may be assigned to him by the directors, the chairman of the board, the chief executive officer or the president; and shall, upon the expiration of his term of office, deliver all money and other property of the corporation in his possession or custody to his successor or to the chairman of the board, the chief executive officer or the president.

## ARTICLE FOUR

## SHARES

SECTION 4.01. CERTIFICATES. Certificates evidencing ownership of shares of the corporation shall be issued to those entitled to them. Each certificate evidencing shares of the corporation shall bear a distinguishing number; the signatures of the chairman of the board, the president, or a vice president, and of the secretary, an assistant secretary, the treasurer, or an assistant treasurer (except that when any such certificate is countersigned by an incorporated transfer agent or registrar, such signatures may be facsimile, engraved, stamped or printed); and such recitals as may be required by law. Certificates evidencing shares of the corporation shall be of such tenor and design as the directors may from time to time adopt and may bear such recitals as are permitted by law.

SECTION 4.02. TRANSFERS. Where a certificate evidencing a share or shares of the corporation is presented to the corporation or its proper agents with a request to register transfer, the transfer shall be registered as requested if:

(1) An appropriate person signs on each certificate so presented or signs on a separate document an assignment or transfer of shares evidenced by each such certificate, or signs a power to assign or transfer such shares, or when the signature of an appropriate person is written without more on the back of each such certificate; and

(2) Reasonable assurance is given that the indorsement of each appropriate person is genuine and effective; the corporation or its agents may refuse to register a transfer of shares unless the signature of each appropriate person is guaranteed by an "eligible guarantor institution" as defined in Rule 17Ad-15 under the Securities Exchange Act or any successor rule or regulation; and

(3) All applicable laws relating to the collection of transfer or other taxes have been complied with; and

(4) The corporation or its agents are not otherwise required or permitted to refuse to register such transfer.

SECTION 4.03. TRANSFER AGENTS AND REGISTRARS. The directors may appoint one or more agents to transfer or to register shares of the corporation, or both.

SECTION 4.04. LOST, WRONGFULLY TAKEN OR DESTROYED CERTIFICATES. Except as otherwise provided by law, where the owner of a certificate evidencing shares of the corporation claims that such certificate has been lost, destroyed or wrongfully taken, the directors must cause the corporation to issue a new certificate in place of the original certificate if the owner:

(1) So requests before the corporation has notice that such original certificate has been acquired by a bona fide purchaser; and

(2) Files with the corporation, unless waived by the directors, an indemnity bond, with surety or sureties satisfactory to the corporation, in such sums as the directors may, in their discretion, deem reasonably sufficient as indemnity against any loss or liability that the corporation may incur by reason of the issuance of each such new certificate; and

(3) Satisfies any other reasonable requirements which may be imposed by the directors, in their discretion.

## ARTICLE FIVE

### INDEMNIFICATION AND INSURANCE

SECTION 5.01. INDEMNIFICATION. The corporation shall indemnify any officer or director of the corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, any action threatened or instituted by or in the right of the corporation), by reason of the fact that he is or was a director officer, employee, agent or volunteer of the corporation, or is or was serving at the request of the corporation as a director, trustee, officer, employee, member, manager, agent or volunteer of another corporation (domestic or foreign, nonprofit or for profit), limited liability company, partnership, joint venture, trust or other enterprise, against expenses (including, without limitation, attorneys' fees, filing fees, court reporters' fees and transcript costs), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if his act or omission giving rise to any claim for indemnification under this Section 5.01 was not occasioned by his intent to cause injury to the corporation or by his reckless disregard for the best interests of the corporation, and in respect of any criminal action or proceeding, he had no reasonable cause to believe his conduct was unlawful. It shall be presumed that no act or omission of a person claiming indemnification under this Section 5.01 that gives rise to such claim was occasioned by an intent to cause injury to the corporation or by reckless disregard for the best interests of the corporation and, in respect of any criminal matter, that such person had no reasonable cause to believe his conduct was unlawful; the presumption recited in this Section 5.01 can be rebutted only by clear and convincing evidence, and the termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, rebut such presumption.

SECTION 5.02. COURT-APPROVED INDEMNIFICATION. Anything contained in the Regulations or elsewhere to the contrary notwithstanding:

(A) the corporation shall not indemnify any officer or director of the corporation who was a party to any completed action or suit instituted by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, agent or volunteer of the corporation, or is or was serving at the request of the corporation as a director, trustee, officer, employee, member, manager, agent or volunteer of another corporation (domestic or foreign, nonprofit or for profit),

limited liability company, partnership, joint venture, trust or other enterprise, in respect of any claim, issue or matter asserted in such action or suit as to which he shall have been adjudged to be liable for an act or omission occasioned by his deliberate intent to cause injury to the corporation or by his reckless disregard for the best interests of the corporation, unless and only to the extent that the Court of Common Pleas of Franklin County, Ohio or the court in which such action or suit was brought shall determine upon application that, despite such adjudication of liability, and in view of all the circumstances of the case, he is fairly and reasonably entitled to such indemnity as such Court of Common Pleas or such other court shall deem proper; and

(B) the corporation shall promptly make any such unpaid indemnification as is determined by a court to be proper as contemplated by this Section 5.02.

SECTION 5.03. INDEMNIFICATION FOR EXPENSES. Anything contained in the Regulations or elsewhere to the contrary notwithstanding, to the extent that an officer or director of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 5.01, or in defense of any claim, issue or matter therein, he shall be promptly indemnified by the corporation against expenses (including, without limitation, attorneys' fees, filing fees, court reporters' fees and transcript costs) actually and reasonably incurred by him in connection therewith.

SECTION 5.04. DETERMINATION REQUIRED. Any indemnification required under Section 5.01 and not precluded under Section 5.02 shall be made by the corporation only upon a determination that such indemnification is proper in the circumstances because the officer or director has met the applicable standard of conduct set forth in Section 5.01. Such determination may be made only (A) by a majority vote of a quorum consisting of directors of the corporation who were not and are not parties to, or threatened with, any such action, suit or proceeding, or (B) if such a quorum is not obtainable or if a majority of a quorum of disinterested directors so directs, in a written opinion by independent legal counsel other than an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services for the corporation, or any person to be indemnified, within the past five years, or (C) by the shareholders, or (D) by the Court of Common Pleas of Franklin County, Ohio or (if the corporation is a party thereto) the court in which such action, suit or proceeding was brought, if any; any such determination may be made by a court under division (D) of this Section 5.04 at any time including, without limitation, any time before, during or after the time when any such determination may be requested of, be under consideration by or have been denied or disregarded by the disinterested directors under division (A) or by independent legal counsel under division (B) or by the shareholders under division (C) of this Section 5.04; and no failure for any reason to make any such determination, and no decision for any reason to deny any such determination, by the disinterested directors under division (A) or by independent legal counsel under division (B) or by the shareholders under division (C) of this Section 5.04 shall be evidence in rebuttal of the presumption recited in Section 5.01. Any determination made by the disinterested directors under division (A) or by independent legal counsel under division (B) of this Section 5.04 to make indemnification in respect of any claim, issue or matter asserted in an action or suit threatened or brought by or in the right of the corporation shall be promptly communicated to the person who threatened or brought such action or suit, and within ten (10)

days after receipt of such notification such person shall have the right to petition the Court of Common Pleas of Franklin County, Ohio or the court in which such action or suit was brought, if any, to review the reasonableness of such determination.

SECTION 5.05. ADVANCES FOR EXPENSES. The provisions of Section 1701.13(E)(5)(a) of the Ohio Revised Code do not apply to the corporation. Expenses (including, without limitation, attorneys' fees, filing fees, court reporters' fees and transcript costs) incurred in defending any action, suit or proceeding referred to in Section 5.01 shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding to or on behalf of the officer or director promptly as such expenses are incurred by him, but only if such officer or director shall first agree, in writing, to repay all amounts so paid in respect of any claim, issue or other matter asserted in such action, suit or proceeding in defense of which he shall not have been successful on the merits or otherwise if it is proved by clear and convincing evidence in a court of competent jurisdiction that, in respect of any such claim, issue or other matter, his relevant action or failure to act was occasioned by his deliberate intent to cause injury to the corporation or his reckless disregard for the best interests of the corporation, unless, and only to the extent that, the Court of Common Pleas of Franklin County, Ohio or the court in which such action or suit was brought shall determine upon application that, despite such determination, and in view of all of the circumstances, he is fairly and reasonably entitled to all or part of such indemnification.

SECTION 5.06. ARTICLE FIVE NOT EXCLUSIVE. The indemnification provided by this Article FIVE shall not be exclusive of, and shall be in addition to, any other rights to which any person seeking indemnification may be entitled under the Articles, the Regulations, any agreement, a vote of disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be an officer or director of the corporation and shall inure to the benefit of the heirs, executors, and administrators of such a person.

SECTION 5.07. INSURANCE. The corporation may purchase and maintain insurance, or furnish similar protection, including but not limited to trust funds, letters of credit, or self-insurance, for or on behalf of any person who is or was a director, officer, employee, agent or volunteer of the corporation, or is or was serving at the request of the corporation as a director, trustee, officer, employee, member, manager, agent or volunteer of another corporation (domestic or foreign, nonprofit or for profit), limited liability company, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the obligation or the power to indemnify him against such liability under the provisions of this Article FIVE. Insurance may be purchased from or maintained with a person in which the corporation has a financial interest.

SECTION 5.08. CERTAIN DEFINITIONS. For purposes of this Article FIVE, and as an example and not by way of limitation:

(A) A person claiming indemnification under this Article FIVE shall be deemed to have been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 5.01, or in defense of any claim, issue or other matter

therein, if such action, suit or proceeding shall be terminated as to such person, with or without prejudice, without the entry of a judgment or order against him, without a conviction of him, without the imposition of a fine upon him and without his payment or agreement to pay any amount in settlement thereof (whether or not any such termination is based upon a judicial or other determination of the lack of merit of the claims made against him or otherwise results in a vindication of him).

(B) References to an "other enterprise" shall include employee benefit plans; references to a "fine" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries.

SECTION 5.09. VENUE. Any action, suit or proceeding to determine a claim for, or for repayment to the corporation of, indemnification under this Article FIVE may be maintained by the person claiming such indemnification, or by the corporation, in the Court of Common Pleas of Franklin County, Ohio. The corporation and (by claiming or accepting such indemnification) each such person consent to the exercise of jurisdiction over its or his person by the Court of Common Pleas of Franklin County, Ohio in any such action, suit or proceeding.

## ARTICLE SIX

### MISCELLANEOUS

SECTION 6.01. AMENDMENTS. The Regulations may be amended, or new regulations may be adopted, at a meeting of shareholders held for such purpose, only by the affirmative vote of the holders of shares entitling them to exercise not less than a majority of the voting power of the corporation on such proposal, or without a meeting by the written consent of the holders of shares entitling them to exercise not less than two-thirds of the voting power of the corporation on such proposal.

SECTION 6.02. ACTION BY SHAREHOLDERS OR DIRECTORS WITHOUT A MEETING. Except as set forth in Section 6.01 and notwithstanding anything contained in the Regulations to the contrary, any action which may be authorized or taken at a meeting of the shareholders or of the directors or of a committee of the directors, as the case may be, may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by, all the shareholders who would be entitled to notice of a meeting of the shareholders held for such purpose, or all the directors, or all the members of such committee of the directors, respectively, which writings shall be filed with or entered upon the records of the corporation.

- -----  
NUMBER  
C  
- -----

C O M M O N S T O C K

THIS CERTIFICATE IS  
TRANSFERABLE IN [PHOTO]  
CLEVELAND, OHIO OR  
IN NEW YORK, NEW YORK [LOGO] CONSOLIDATED STORES  
CORPORATION  
INCORPORATED UNDER THE  
LAWS OF THE STATE OF  
DELAWARE

C O M M O N S T O C K

-----  
SHARES  
-----

SEE REVERSE FOR  
CERTAIN DEFINITIONS

CUSIP 089302 10 3

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| THIS CERTIFIES THAT  
|  
|  
|  
| IS THE OWNER OF  
|  
-----

FULLY PAID and NON-ASSESSABLE SHARES OF THE PAR VALUE OF \$.01 EACH OF THE COMMON STOCK OF

CONSOLIDATED STORES CORPORATION, TRANSFERABLE ON THE BOOKS OF THE CORPORATION IN PERSON OR BY  
DULY AUTHORIZED ATTORNEY UPON SURRENDER OF THIS CERTIFICATE PROPERLY ENDORSED.

THIS CERTIFICATE IS NOT VALID UNLESS COUNTERSIGNED BY THE TRANSFER AGENT AND REGISTERED  
BY THE REGISTRAR.

WITNESS THE FACSIMILE SEAL OF THE COMPANY AND THE FACSIMILE SIGNATURES OF ITS DULY  
AUTHORIZED OFFICERS.

NAME CHANGED TO BIG LOTS, INC.

STATE OF INCORPORATION CHANGED TO OHIO

DATED

COUNTERSIGNED AND REGISTERED:

NATIONAL CITY BANK  
(CLEVELAND, OHIO)

TRANSFER AGENT  
AND REGISTRAR

BY

CONSOLIDATED  
STORES  
CORPORATION

CORPORATE SEAL  
DELAWARE  
- -----

AUTHORIZED SIGNATURE

/s/ Charles W. Haubiel  
-----  
SECRETARY

/s/ Michael J. Potter  
-----  
CHAIRMAN OF THE BOARD

BANKNOTE  
CORPORATION  
OF AMERICA

THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS, THE DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS. ANY SUCH REQUEST MAY BE MADE TO THE CORPORATION OR TO THE TRANSFER AGENT.

THIS CERTIFICATE ALSO EVIDENCES AND ENTITLES THE HOLDER HEREOF TO CERTAIN RIGHTS AS SET FORTH IN THE RIGHTS AGREEMENT BETWEEN CONSOLIDATED STORES CORPORATION (THE "COMPANY") AND NATIONAL CITY BANK (THE "RIGHTS AGENT"), DATED AS OF APRIL 6, 1999 (THE "RIGHTS AGREEMENT"), THE TERMS OF WHICH ARE HEREBY INCORPORATED HEREIN BY REFERENCE AND A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICES OF THE COMPANY. UNDER CERTAIN CIRCUMSTANCES, AS SET FORTH IN THE RIGHTS AGREEMENT, SUCH RIGHTS WILL BE EVIDENCED BY SEPARATE CERTIFICATES AND WILL NO LONGER BE EVIDENCED BY THIS CERTIFICATE. THE COMPANY WILL MAIL TO THE HOLDER OF THIS CERTIFICATE A COPY OF THE RIGHTS AGREEMENT, AS IN EFFECT ON THE DATE OF MAILING, WITHOUT CHARGE WITHIN FIVE DAYS AFTER RECEIPT OF A WRITTEN REQUEST THEREFOR. UNDER CERTAIN CIRCUMSTANCES SET FORTH IN THE RIGHTS AGREEMENT, RIGHTS ISSUED TO, OR HELD BY, ANY PERSON WHO IS, WAS OR BECOMES AN ACQUIRING PERSON OR ANY AFFILIATE OR ASSOCIATE THEREOF (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT), WHETHER CURRENTLY HELD BY OR ON BEHALF OF SUCH PERSON OR BY ANY SUBSEQUENT HOLDER, MAY BECOME NULL AND VOID.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIFT MIN ACT - _____ Custodian _____ (Cust) (Minor)
TEN ENT - as tenants by the entireties	under Uniform Gifts to Minors
JT TEN - as joint tenants with right of survivorship and not as tenants in common	Act _____ (State)

Additional abbreviations may also be used though not in the above list.

For value received, \_\_\_\_\_ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF ASSIGNEE

-----  
-----

\_\_\_\_\_  
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ shares

of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint \_\_\_\_\_ Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises

Dated, \_\_\_\_\_

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

IMPORTANT

A NOTARY SEAL IS NOT ACCEPTABLE. THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION SUCH AS A COMMERCIAL BANK, TRUST COMPANY, SAVINGS AND LOAN, CREDIT UNION OR BROKER WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO SEC RULE 17AD-15.

\_\_\_\_\_  
Medallion Signature(s) guarantee:

CONFORMED COPY

=====

CONSOLIDATED STORES CORPORATION,  
an Ohio Corporation

CONSOLIDATED STORES CORPORATION,  
a Delaware Corporation

\$300,000,000  
Senior Notes Issuable In Series

\$174,000,000  
7.87% Senior Notes, Series 2001-A,  
Tranche 1, due May 15, 2005

\$15,000,000  
7.97% Senior Notes, Series 2001-A,  
Tranche 2, due May 15, 2006

\$15,000,000  
8.07% Senior Notes, Series 2001-A,  
Tranche 3, due May 15, 2007

-----  
NOTE PURCHASE AGREEMENT  
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Dated as of May 1, 2001

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Tranche 1 PPN: 210149 A# 7  
Tranche 2 PPN: 210149 B\* 0  
Tranche 3 PPN: 210149 B@ 8

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CONSOLIDATED STORES CORPORATION,  
 an Ohio Corporation  
 CONSOLIDATED STORES CORPORATION,  
 a Delaware Corporation  
 300 Phillipi Road  
 Columbus, Ohio 43228  
 (614) 278-6800  
 Fax: (614) 278-6622

\$300,000,000  
 Senior Notes Issuable In Series

\$174,000,000 7.87% Senior Notes, Series 2001-A, Tranche 1, due May 15, 2005  
 \$15,000,000 7.97% Senior Notes, Series 2001-A, Tranche 2, due May 15, 2006  
 \$15,000,000 8.07% Senior Notes, Series 2001-A, Tranche 3, due May 15, 2007

Dated as of May 1, 2001

TO EACH OF THE PURCHASERS LISTED IN  
 THE ATTACHED SCHEDULE A:

Ladies and Gentlemen:

CONSOLIDATED STORES CORPORATION, an Ohio corporation (the  
 "Company"), and CONSOLIDATED STORES CORPORATION, a Delaware corporation (the  
 "Parent"), agree with you as follows:

1. AUTHORIZATION OF NOTES.

1.1. AMOUNT; ESTABLISHMENT OF SERIES.

The Company is contemplating the issue and sale of up to  
 \$300,000,000 aggregate principal amount of its Senior Notes issuable in series  
 (the "Notes", such term to include any such Notes issued in substitution  
 therefor pursuant to Section 13 of this Agreement). The Notes will be  
 substantially in the form set out in Exhibit 1.1(a), with such changes  
 therefrom, if any, as may be approved by the purchasers of such Notes, or series  
 thereof, and the Company. Certain capitalized terms used in this Agreement are  
 defined in Schedule B; references to a "Schedule" or an "Exhibit" are, unless  
 otherwise specified, to a Schedule or an Exhibit attached to this Agreement. The  
 Notes may be issued in one or more series. The Notes will be guaranteed (i) by  
 the Parent pursuant to a guaranty in substantially the form of Exhibit 1.1(b)  
 (the "Parent Guaranty") and (ii) subject to Section 22, each Subsidiary that is  
 now or in the future becomes a

guarantor of Indebtedness owed to banks under the Credit Agreement (individually, a "Subsidiary Guarantor" and collectively, the "Subsidiary Guarantors") pursuant to a guaranty in substantially the form of Exhibit 1.1(c) (the "Subsidiary Guaranty," and, together with the Parent Guaranty, the "Guaranties"). Each series of Notes, other than the initial series, will be issued pursuant to a supplement to this Agreement (a "Supplement") in substantially the form of Exhibit 1.1(d), and will be subject to the following terms and conditions:

(a) the designation of each series of Notes shall distinguish the Notes of one series from the Notes of all other series;

(b) the Notes of each series shall rank pari passu with each other series of the Notes and with the Company's other outstanding senior unsecured Indebtedness;

(c) each series of Notes shall be dated the date of issue, bear interest at such rate or rates, mature on such date or dates, be subject to such mandatory prepayments on the dates and with the Make-Whole Amounts, if any, as are provided in the Supplement under which such Notes are issued, and shall have such additional or different conditions precedent to closing and such additional or different representations and warranties or, subject to Section 1.1(d), other terms and provisions as shall be specified in such Supplement;

(d) except to the extent provided in foregoing clause (c), all of the provisions of this Agreement shall apply to the Notes of each series; and

(e) the issuance of any subsequent series of Notes shall not dilute or otherwise affect the relative priority or other rights of the holders of the Series 2001-A Notes or in any way affect the percentages of Series 2001-A Notes required to approve an amendment or effectuate a waiver under the provisions of Section 17 or the percentages of Series 2001-A Notes required to accelerate the Series 2001-A Notes or rescind such an acceleration under the provisions of Section 12.1 or 12.3.

The Purchasers of the Series 2001-A Notes need not purchase subsequent series of Notes.

#### 1.2. THE SERIES 2001-A NOTES.

The Company has authorized, as the initial series of Notes hereunder, the issue and sale of \$204,000,000 aggregate principal amount of Notes to be designated as its "Series 2001-A Notes" (such term to include any such Notes issued in substitution therefor pursuant to Section 13 of this Agreement). The Series 2001-A Notes will consist of \$174,000,000 aggregate principal amount of 7.87% Senior Notes, Series 2001-A, Tranche 1, due May 15, 2005 (the "Series 2001-A, Tranche 1, Notes"), \$15,000,000 aggregate principal amount of 7.97% Senior Notes, Series 2001-A, Tranche 2, due May 15, 2006 (the "Series 2001-A, Tranche 2, Notes") and \$15,000,000 aggregate principal amount of Notes 8.07% Senior Notes, Series 2001-A, Tranche 3, due May 15, 2007 (the "Series 2001-A, Tranche 3, Notes"). The Series 2001-A Notes shall be substantially in the forms set out in Exhibits 1.2(a), 1.2(b) and 1.2(c), respectively, with such

changes therefrom, if any, as may be approved by you and the Company. For purposes of Sections 8.2 and 8.3, the Series 2001-A Notes will be treated as single series.

## 2. SALE AND PURCHASE OF SERIES 2001-A NOTES.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to you and each of the other purchasers named in Schedule A (the "Other Purchasers"), and you and the Other Purchasers will purchase from the Company, at the Closing provided for in Section 3, Series 2001-A Notes in the tranche and principal amount specified opposite your names in Schedule A at the purchase price of 100% of the principal amount thereof. Your obligation hereunder and the obligations of the Other Purchasers are several and not joint obligations and you shall have no liability to any Person for the performance or non-performance by any Other Purchaser hereunder.

## 3. CLOSING.

The sale and purchase of the Series 2001-A Notes to be purchased by you and the Other Purchasers shall occur at the offices of Gardner, Carton & Douglas, Quaker Tower, Suite 3400, 321 North Clark Street, Chicago, Illinois 60610 at 9:00 a.m., Chicago time, at a closing (the "Closing") on May 8, 2001 or on such other Business Day thereafter on or prior to May 30, 2001 as may be agreed upon by the Company and you and the Other Purchasers. At the Closing the Company will deliver to you the Series 2001-A Notes to be purchased by you in the form of a single Series 2001-A Note (or such greater number of Series 2001-A Notes in denominations of at least \$500,000 as you may request) dated the date of the Closing and registered in your name (or in the name of your nominee), against delivery by you to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company to account number 801871009, at National City Bank, 155 East Broad Street, Columbus, Ohio 43251, ABA #041000124. If at the Closing the Company shall fail to tender such Series 2001-A Notes to you as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to your satisfaction, you shall, at your election, be relieved of all further obligations under this Agreement, without thereby waiving any rights you may have by reason of such failure or such nonfulfillment.

## 4. CONDITIONS TO CLOSING.

Your obligation to purchase and pay for the Series 2001-A Notes to be sold to you at the Closing is subject to the fulfillment to your satisfaction, prior to or at the Closing, of the following conditions:

### 4.1. REPRESENTATIONS AND WARRANTIES.

The representations and warranties of the Parent and the Company in this Agreement shall be correct when made and at the time of the Closing.

#### 4.2. PERFORMANCE; NO DEFAULT.

The Parent and the Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Closing and after giving effect to the issue and sale of the Series 2001-A Notes (and the application of the proceeds thereof as contemplated by Schedule 5.14) no Default or Event of Default shall have occurred and be continuing. Neither the Parent or the Company nor any Subsidiary shall have entered into any transaction since the date of the Memorandum that would have been prohibited by Sections 10.1 through 10.11 had such Sections applied since such date.

#### 4.3. COMPLIANCE CERTIFICATES.

(a) OFFICER'S CERTIFICATE. The Parent and the Company shall have delivered to you an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been fulfilled.

(b) SECRETARY'S CERTIFICATE. The Parent and the Company shall have delivered to you a certificate certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Series 2001-A Notes and the Agreement.

#### 4.4. OPINIONS OF COUNSEL.

You shall have received opinions in form and substance satisfactory to you, dated the date of the Closing (a) from Vorys, Sater, Seymour and Pease LLP, special counsel for the Parent and the Company, and from General Counsel for the Parent, the Company and the Subsidiary Guarantors, covering the matters set forth in Exhibit 4.4(a) and covering such other matters incident to the transactions contemplated hereby as you or your counsel may reasonably request (and the Company instructs its counsel to deliver such opinion to you) and (b) from Gardner, Carton & Douglas, your special counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.4(b) and covering such other matters incident to such transactions as you may reasonably request.

#### 4.5. PURCHASE PERMITTED BY APPLICABLE LAW, ETC.

On the date of the Closing your purchase of Series 2001-A Notes shall (i) be permitted by the laws and regulations of each jurisdiction to which you are subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (ii) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (iii) not subject you to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by you, you shall have received an Officer's Certificate certifying as to such matters of fact as you may reasonably specify to enable you to determine whether such purchase is so permitted.

4.6. SALE OF OTHER SERIES 2001-A NOTES.

Contemporaneously with the Closing the Company shall sell to the Other Purchasers and the Other Purchasers shall purchase the Series 2001-A Notes to be purchased by them at the Closing as specified in Schedule A.

4.7. PAYMENT OF SPECIAL COUNSEL FEES.

Without limiting the provisions of Section 15.1, the Company shall have paid on or before the Closing the fees, charges and disbursements of your special counsel referred to in Section 4.4, to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Closing.

4.8. PRIVATE PLACEMENT NUMBERS.

Private Placement numbers issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the Securities Valuation Office of the National Association of Insurance Commissioners) shall have been obtained for each series of the Series 2001-A Notes by Gardner, Carton & Douglas.

4.9. CHANGES IN CORPORATE STRUCTURE.

Except as specified in Schedule 4.9, neither the Parent nor the Company shall have changed its jurisdiction of incorporation or been a party to any merger or consolidation and shall not have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Schedule 5.5.

4.10. GUARANTIES.

The Parent shall have executed and delivered the Parent Guaranty and each Subsidiary Guarantor shall have executed and delivered the Subsidiary Guaranty.

4.11. PROCEEDINGS AND DOCUMENTS.

All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to you and your special counsel, and you and your special counsel shall have received all such counterpart originals or certified or other copies of such documents as you or they may reasonably request.

4.12. INTERCREDITOR AGREEMENT.

You and the Other Purchasers shall have entered into an Intercreditor Agreement (the "Intercreditor Agreement"), on terms reasonably satisfactory to you and your special counsel, with the banks party to the Credit Agreement.

#### 4.13. CREDIT AGREEMENT.

The Company shall have entered into the Credit Agreement, which Credit Agreement shall be on terms reasonably satisfactory to you and your special counsel.

#### 5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

Each of the Company and the Parent represents and warrants to you that:

##### 5.1. ORGANIZATION; POWER AND AUTHORITY.

Each of the Company and the Parent is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each of the Company and the Parent has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement, the Parent Guaranty (in the case of the Parent) and the Series 2001-A Notes (in the case of the Company) and to perform the provisions hereof and thereof.

##### 5.2. AUTHORIZATION, ETC.

This Agreement and the Series 2001-A Notes have been duly authorized by all necessary corporate action on the part of the Company and, in the case of the Agreement, by the Parent, and this Agreement constitutes, and upon execution and delivery thereof each Series 2001-A Note will constitute, a legal, valid and binding obligation of the Company and, in the case of the Agreement, of the Parent, enforceable against the Company or the Parent, as the case may be, in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

The Guaranties have been duly authorized by all necessary corporate action on the part of the Parent or each Subsidiary Guarantor, as the case may be, and upon execution and delivery thereof will constitute the legal, valid and binding obligation of the Parent and each Subsidiary Guarantor, enforceable against the Parent or each Subsidiary Guarantor, as the case may be, in accordance with their respective terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

##### 5.3. DISCLOSURE.

The Company, through its agent, Banc of America Securities LLC, has delivered to you and each Other Purchaser a copy of a Private Placement Memorandum, dated April 2001 (the "Memorandum"), relating to the transactions contemplated hereby. The Memorandum fairly describes, in all material respects, the general nature of the business of the Parent and its Subsidiaries, including the Company, taken as a whole. Except as disclosed in Schedule 5.3, this Agreement, the Memorandum, the documents, certificates or other writings delivered to you by or on behalf of the Parent in connection with the transactions contemplated hereby and the financial statements listed in Schedule 5.5, taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Memorandum or as expressly described in Schedule 5.3, or in one of the documents identified therein, or in the financial statements listed in Schedule 5.5, since February 3, 2001, there has been no change in the financial condition, operations, business or properties of the Parent or any Subsidiary, including the Company, except changes that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Parent that could reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Memorandum or in the other documents, certificates and other writings delivered to you by or on behalf of the Parent specifically for use in connection with the transactions contemplated hereby.

5.4. ORGANIZATION AND OWNERSHIP OF SHARES OF SUBSIDIARIES; AFFILIATES.

(a) Schedule 5.4 contains (except as noted therein) complete and correct lists (i) of the Parent's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, whether such Subsidiary is a Restricted Subsidiary, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Parent and each other Subsidiary, including the Company (ii) of the Parent's Affiliates, other than Subsidiaries, and (iii) of the Parent's and the Company's directors and executive officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Parent and its Subsidiaries, including the Company, have been validly issued, are fully paid and nonassessable and are owned by the Parent or another Subsidiary, including the Company, free and clear of any Lien (except as otherwise permitted by Section 10.4). All of the outstanding shares of capital stock or similar equity interests of the Company have been validly issued, are fully paid and nonassessable and are owned by the Parent free and clear of any Lien.

(c) Each Subsidiary of the Parent identified in Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power

and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Subsidiary of the Parent is a party to, or otherwise subject to any legal restriction or any Material agreement (other than this Agreement, the Credit Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate law statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Parent or any of its Subsidiaries, including the Company, that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

#### 5.5. FINANCIAL STATEMENTS.

The Parent has delivered to you and each Other Purchaser copies of the financial statements of the Parent and its Subsidiaries, including the Company, listed on Schedule 5.5. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Parent and its Subsidiaries, including the Company, as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments).

#### 5.6. COMPLIANCE WITH LAWS, OTHER INSTRUMENTS, ETC.

The execution, delivery and performance by the Company and the Parent of this Agreement and by the Company of the Series 2001-A Notes will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Parent or any Subsidiary, including the Company, under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or by-laws, or any other Material agreement or instrument to which the Parent or any Subsidiary, including the Company, is bound or by which any of their respective properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any Material order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Parent or any Subsidiary, including the Company, or (iii) violate any provision of any Material statute or other rule or regulation of any Governmental Authority applicable to the Parent or any Subsidiary, including the Company.

The execution, delivery and performance by each of the Parent and each Subsidiary Guarantor of the Guaranty to which it is a party will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Parent or such Subsidiary Guarantor under, any agreement, or corporate charter or by-laws, to which the Parent or such Subsidiary Guarantor is bound or by which the Parent or such Subsidiary Guarantor or any of their properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any Material order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the

Parent or such Subsidiary Guarantor or (iii) violate any provision of any Material statute or other rule or regulation of any Governmental Authority applicable to the Parent or such Subsidiary Guarantor.

5.7. GOVERNMENTAL AUTHORIZATIONS, ETC.

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement or the Series 2001-A Notes or the execution, delivery or performance by the Parent of this Agreement or the Parent Guaranty or by each Subsidiary Guarantor of the Subsidiary Guaranty.

5.8. LITIGATION; OBSERVANCE OF AGREEMENTS, STATUTES AND ORDERS.

(a) Except as disclosed in Schedule 5.8, there are no actions, suits or proceedings pending or, to the knowledge of the Parent or the Company, threatened against or affecting the Parent or any Subsidiary, including the Company, or any property of the Parent or any Subsidiary, including the Company, in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(b) Neither the Parent nor any Subsidiary, including the Company, is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including Environmental Laws) of any Governmental Authority, which default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.9. TAXES.

The Parent and each Subsidiary, including the Company, have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which is not individually or in the aggregate Material, (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Parent or a Subsidiary, including the Company, as the case may be, has established adequate reserves in accordance with GAAP, or (iii) related to the New York Potential Tax Claim, which if determined adversely could not reasonably be expected to have a Material Adverse Effect. Neither the Parent nor the Company knows of any basis for any other tax or assessment that could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Parent, the Company and the Subsidiaries in respect of federal, state or other taxes for all fiscal periods are adequate under GAAP. The federal income tax liabilities of the Parent and its Subsidiaries, including the Company, have

been determined by the Internal Revenue Service and paid for all fiscal years up to and including the fiscal year ended January 29, 1994.

5.10. TITLE TO PROPERTY; LEASES.

The Parent and its Subsidiaries, including the Company, have good and sufficient title to the properties that they own and that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Parent or any Subsidiary, including the Company, after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

5.11. LICENSES, PERMITS, ETC.

Except as disclosed in Schedule 5.11,

(a) the Parent and its Subsidiaries, including the Company, own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known material conflict with the rights of others;

(b) to the knowledge of the Parent and the Company, no product of the Parent or any Subsidiary, including the Company, infringes in any material respect any license, permit, franchise, authorization, patent, copyright, service mark, trademark, trade name or other right owned by any other Person; and

(c) to the knowledge of the Parent and the Company, there is no Material violation by any Person of any right of the Parent or any of its Subsidiaries, including the Company, with respect to any patent, copyright, service mark, trademark, trade name or other right owned or used by the Parent or any of its Subsidiaries, including the Company.

5.12. COMPLIANCE WITH ERISA.

(a) The Parent and each ERISA Affiliate, including the Company, have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not reasonably be expected to result in a Material Adverse Effect. Neither the Parent nor any ERISA Affiliate, including the Company, has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that could reasonably be expected to result in the incurrence of any such liability by the Parent or any ERISA Affiliate, including the Company, or in the imposition of any Lien on any of the rights, properties or assets of the Parent or any ERISA Affiliate, including the Company, in either case pursuant to Title I or IV of

ERISA or to such penalty or excise tax provisions or to section 401(a)(29) or 412 of the Code, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions used to determine the actuarial accrued liability on an on-going funding basis in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The term "benefit liabilities" has the meaning specified in section 4001 of ERISA and the terms "current value" and "present value" have the meaning specified in section 3 of ERISA.

(c) The Parent and its ERISA Affiliates, including the Company, have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that have not been paid, or if contingent, that individually or in the aggregate are Material.

(d) The expected postretirement benefit obligation (determined as of the last day of the Parent's most recently ended fiscal year in accordance with Financial Accounting Standards Board Statement No. 106, as amended by Financial Accounting Standards Board Statement No. 132, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Parent and its Subsidiaries, including the Company, is not Material or has been disclosed in the most recent audited consolidated financial statements of the Parent.

(e) The execution and delivery of this Agreement and the issuance and sale of the Series 2001-A Notes hereunder will not involve any transaction that is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Parent and the Company in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of your representation in Section 6.2 as to the sources of the funds used to pay the purchase price of the Series 2001-A Notes to be purchased by you.

#### 5.13. PRIVATE OFFERING BY THE COMPANY.

None of the Parent, the Company or anyone acting on their behalf has offered the Series 2001-A Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than you, the Other Purchasers and not more than 55 other Institutional Investors, each of which has been offered the Series 2001-A Notes at a private sale for investment. None of the Parent, the Company or anyone acting on their behalf has taken, or will take, any action that could subject the issuance or sale of the Series 2001-A Notes to the registration requirements of section 5 of the Securities Act.

5.14. USE OF PROCEEDS; MARGIN REGULATIONS.

The Company will apply the proceeds of the sale of the Series 2001-A Notes to general corporate purposes, including to repay or refinance Indebtedness of the Company and Subsidiaries of the Company as set forth in Schedule 5.14. No part of the proceeds from the sale of the Series 2001-A Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 5% of the value of the consolidated assets of the Parent and its Subsidiaries, including the Company, and neither the Parent nor the Company has any present intention that margin stock will constitute more than 5% of the value of such assets. As used in this Section, the terms "margin stock" and "purpose of buying or carrying" shall have the meanings assigned to them in said Regulation U.

5.15. EXISTING INDEBTEDNESS; FUTURE LIENS.

(a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of all outstanding Indebtedness of the Parent and its Subsidiaries, including the Company, as of February 3, 2001, since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Indebtedness of the Parent and its Subsidiaries, including the Company. Neither the Parent nor any Subsidiary, including the Company, is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Indebtedness of the Parent or such Subsidiary, including the Company, that is outstanding in an aggregate principal amount in excess of \$10,000,000 and no event or condition exists with respect to any Indebtedness of the Parent or any Subsidiary, including the Company that is outstanding in an aggregate principal amount in excess of \$10,000,000 and that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, neither the Parent nor any Subsidiary, including the Company, has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.4.

5.16. FOREIGN ASSETS CONTROL REGULATIONS, ETC.

Neither the sale of the Series 2001-A Notes by the Company hereunder nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

5.17. STATUS UNDER CERTAIN STATUTES.

Neither the Parent nor any Subsidiary, including the Company, is subject to regulation under the Investment Company Act of 1940, as amended, the Public Utility Holding Company Act of 1935, as amended, the Interstate Commerce Act, as amended by the ICC Termination Act, as amended, or the Federal Power Act, as amended.

5.18. ENVIRONMENTAL MATTERS.

Neither the Parent nor any Subsidiary, including the Company, has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Parent or any of its Subsidiaries, including the Company, or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect. Except as otherwise disclosed to you in writing,

(a) neither the Parent nor any Subsidiary, including the Company, has knowledge of any facts that would give rise to any liability, public or private, for violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect;

(b) neither the Parent nor any Subsidiary, including the Company, has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them and has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that could reasonably be expected to result in a Material Adverse Effect; and

(c) all buildings on all real properties now owned, leased or operated by the Parent or any of its Subsidiaries, including the Company, are in compliance with applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

5.19. SOLVENCY OF SUBSIDIARY GUARANTORS.

After giving effect to the transactions contemplated herein and after giving due consideration to any rights of contribution (i) each Subsidiary Guarantor has received fair consideration and reasonably equivalent value for the incurrence of its obligations under the Subsidiary Guaranty, (ii) the fair value of the assets of each Subsidiary Guarantor (both at fair valuation and at present fair saleable value) exceeds its liabilities, (ii) each Subsidiary Guarantor is able to and expects to be able to pay its debts as they mature, and (iii) each Subsidiary Guarantor has capital sufficient to carry on its business as conducted and as proposed to be conducted.

6. REPRESENTATIONS OF THE PURCHASERS.

## 6.1. PURCHASE FOR INVESTMENT.

You represent that (i) you are an "accredited investor" as defined in Rule 501(a) under the Securities Act and (ii) you are purchasing the Series 2001-A Notes to be purchased by you for your own account or for one or more separate accounts maintained by you or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of your or their property shall at all times be within your or their control. You understand that the Series 2001-A Notes to be purchased by you have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Series 2001-A Notes.

## 6.2. SOURCE OF FUNDS.

You represent that at least one of the following statements is an accurate representation as to each source of funds (a "Source") to be used by you to pay the purchase price of the Series 2001-A Notes to be purchased by you hereunder:

(a) the Source is an "insurance company general account" as such term is defined in the Department of Labor Prohibited Transaction Exemption ("PTE") 95-60 (issued July 12, 1995) ("PTE 95-60") and as of the date of this Agreement there is no "employee benefit plan" with respect to which the aggregate amount of such general account's reserves and liabilities for the contracts held by or on behalf of such employee benefit plan and all other employee benefit plans maintained by the same employer (and affiliates thereof as defined in section V(a)(1) of PTE 95-60) or by the same employee organization (in each case determined in accordance with the provisions of PTE 95-60) exceeds 10% of the total reserves and liabilities of such general account (as determined under PTE 95-60) (exclusive of separate account liabilities) plus surplus as set forth in the National Association of Insurance Commissioners Annual Statement filed with your state of domicile; or

(b) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1 (issued January 29, 1990), or (ii) a bank collective investment fund, within the meaning of PTE 91-38 (issued July 12, 1991) and, except as you have disclosed to the Company in writing pursuant to this paragraph (b), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(c) the Source constitutes assets of an "investment fund" (within the meaning of Part V of the QPAM Exemption) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of the QPAM Exemption), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of section V(c)(1) of the QPAM Exemption) of

such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM (applying the definition of "control" in section V(e) of the QPAM Exemption) owns a 5% or more interest in the Company and (i) the identity of such QPAM and (ii) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this paragraph (c); or

(d) the Source is a governmental plan; or

(e) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this paragraph (e); or

(f) the Source is the assets of one or more employee benefit plans that are managed by an "in-house asset manager," as that term is defined in PTE 96-23 and such purchase and holding of the Notes is exempt under PTE 96-23; or

(g) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this Section 6.2, the terms "employee benefit plan", "governmental plan" and "separate account" shall have the respective meanings assigned to such terms in section 3 of ERISA.

## 7. INFORMATION AS TO COMPANY.

### 7.1. FINANCIAL AND BUSINESS INFORMATION

The Parent will deliver to each holder of Notes that is an Institutional Investor:

(a) QUARTERLY STATEMENTS -- within 60 days after the end of each quarterly fiscal period in each fiscal year of the Parent (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of,

(i) a consolidated balance sheet of the Parent and its Subsidiaries, including the Company, as at the end of such quarter, and

(ii) consolidated statements of income of the Parent, and its Subsidiaries, including the Company, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter, and

(iii) consolidated statements of cash flows of the Parent and its Subsidiaries, including the Company, for such quarter or (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the consolidated financial position of the Parent and its Subsidiaries, including the Company, as of the specified dates being reported on and their consolidated results of operations and cash flows for the respective periods specified, subject to changes resulting from year-end adjustments, provided that delivery within the time period specified above of copies of the Parent's Quarterly Report on Form 10-Q prepared in compliance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 7.1(a);

(b) ANNUAL STATEMENTS -- within 120 days after the end of each fiscal year of the Parent, duplicate copies of,

(i) a consolidated balance sheet of the Parent and its Subsidiaries, including the Company, as at the end of such year, and

(ii) consolidated statements of income, changes in equity and cash flows of the Parent and its Subsidiaries, including the Company, for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the consolidated financial position of the Parent and its Subsidiaries, including the Company, as of the specified dates being reported upon and their consolidated results of operations and cash flows for the respective periods specified and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, provided that the delivery within the time period specified above of the Parent's Annual Report on Form 10-K for such fiscal year (or the Parent's annual report to stockholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in accordance with the requirements therefor and filed with the Securities and Exchange Commission, together with such accountant's opinion, shall be deemed to satisfy the requirements of this Section 7.1(b);

(c) UNRESTRICTED SUBSIDIARIES -- if, at the time of delivery of any financial statements pursuant to Section 7.1(a) or (b), Unrestricted Subsidiaries account for more than 10% of (i) the consolidated total assets of the Parent and its Subsidiaries, including the Company, reflected in the balance sheet included in such financial statements or (ii) the consolidated net sales of the Parent and its Subsidiaries, including the Company, reflected in the consolidated statement of income included in such financial statements, an unaudited balance sheet for all Unrestricted Subsidiaries taken as whole as at the end of the fiscal period included in such financial statements and the related unaudited

statements of income, equity and cash flows for such Unrestricted Subsidiaries for such period, together with consolidating statements reflecting all eliminations or adjustments necessary to reconcile such group financial statements to the consolidated financial statements of the Parent and its Subsidiaries, including the Company, certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on as of the date specified and their results of operations and cash flows for the periods specified, subject, in the case of financial statements delivered pursuant to Section 7.1(a), to changes resulting from year-end adjustments;

(d) SEC AND OTHER REPORTS -- promptly upon their becoming available, one copy of each regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto containing information of a financial nature filed by the Parent or any Restricted Subsidiary, including the Company, with the Securities and Exchange Commission and of all press releases and other statements concerning a Material development made available generally by the Parent or any Restricted Subsidiary to the public;

(e) NOTICE OF DEFAULT OR EVENT OF DEFAULT -- promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Parent is taking or proposes to take with respect thereto;

(f) ERISA MATTERS -- promptly, and in any event within five days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Parent or an ERISA Affiliate, including the Company, proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in section 4043(b) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Parent or any ERISA Affiliate, including the Company, of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that could result in the incurrence of any liability by the Parent or any ERISA Affiliate, including the Company, pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of the Parent or any ERISA

Affiliate, including the Company, pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, could reasonably be expected to have a Material Adverse Effect;

(g) NOTICES FROM GOVERNMENTAL AUTHORITY -- promptly, and in any event within 30 days after a Responsible Officer becoming aware thereof, copies of any notice to the Parent, the Company or any Restricted Subsidiary from any federal or state Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(h) REQUESTED INFORMATION -- with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Parent or the Company or any of its Subsidiaries or relating to the ability of any of them to perform its obligations hereunder and under the Notes or any Guaranty as from time to time may be reasonably requested by any such holder of Notes that is an Institutional Investor; and

(i) SUPPLEMENTS TO AGREEMENT -- in the event an additional series of Notes is, or is proposed to be, issued under this Agreement, promptly, and in any event within 10 Business Days after execution and delivery thereof, a true copy of the Supplement pursuant to which such Notes are to be, or were, issued.

## 7.2. OFFICER'S CERTIFICATE.

Each set of financial statements delivered to a holder of Notes pursuant to Section 7.1(a) or (b) shall be accompanied by a certificate of a Senior Financial Officer setting forth:

(a) COVENANT COMPLIANCE -- the information (including detailed calculations) required in order to establish whether the Parent was in compliance with the requirements of Section 10.1 through Section 10.7, inclusive, during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); and

(b) EVENT OF DEFAULT -- a statement that such officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Parent and its Restricted Subsidiaries, including the Company, from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including any such event or condition resulting from the failure of the Parent, the Company or any Restricted Subsidiary to comply with any Environmental Law),

specifying the nature and period of existence thereof and what action the Parent or the Company shall have taken or proposes to take with respect thereto.

### 7.3. INSPECTION.

The Parent and the Company will permit the representatives of each holder of Notes that is an Institutional Investor:

(a) NO DEFAULT -- if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Parent or the Company, to discuss the affairs, finances and accounts of the Parent and the Company and its Restricted Subsidiaries with the Parent's and the Company's officers and (with the consent of the Parent and the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Restricted Subsidiary, all at such reasonable times during and as often (but not more than twice by any holder of a Note in any calendar year) as may be reasonably requested in writing; and

(b) DEFAULT -- if a Default or Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Parent, the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Parent and the Company authorize said accountants to discuss the affairs, finances and accounts of the Parent and the Company and its Subsidiaries), all at such times and as often as may be requested.

Prior to or concurrently with any inspection pursuant to this Section 7, the holder, if requested by the Company, shall have entered into a confidentiality agreement with the Company, reasonably satisfactory to it and the Company, so as to avoid any disclosure obligation on the Company under Regulation FD under the Exchange Act.

### 8. PREPAYMENT OF THE SERIES 2001-A NOTES.

#### 8.1. NO SCHEDULED PREPAYMENTS.

No regularly scheduled prepayments are due on the Series 2001-A Notes prior to their stated maturity.

#### 8.2. OPTIONAL PREPAYMENTS WITH MAKE-WHOLE AMOUNT.

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes of any series (treating the Series 2001-A Notes as a single series) in an amount not less than \$2,000,000 in the aggregate in the case of a partial prepayment, at 100% of the principal amount so prepaid, plus the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Company will give each holder of Notes of the series to be prepaid written notice of each optional prepayment

under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date, the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.3), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes of the series to be prepaid a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

### 8.3. ALLOCATION OF PARTIAL PREPAYMENTS.

In the case of each partial prepayment of the Notes, the principal amount of the Notes of the series to be prepaid (treating the Series 2001-A Notes as a single series) shall be allocated among all of the Notes of such series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

### 8.4. MATURITY; SURRENDER, ETC.

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment, together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and canceled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

### 8.5. PURCHASE OF NOTES.

The Parent and the Company will not, and will not permit any Affiliate to, purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

### 8.6. MAKE-WHOLE AMOUNT.

The term "MAKE-WHOLE AMOUNT" means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, provided

that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

"CALLED PRINCIPAL" means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"DISCOUNTED VALUE" means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"REINVESTMENT YIELD" means, with respect to the Called Principal of any Note, 0.50% over the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as the "PX1 Screen" on the Bloomberg Financial Market Service (or such other display as may replace the PX1 Screen on Bloomberg Financial Market Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable, the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded U.S. Treasury security with the maturity closest to and greater than the Remaining Average Life and (2) the actively traded U.S. Treasury security with the maturity closest to and less than the Remaining Average Life.

"REMAINING AVERAGE LIFE" means, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"REMAINING SCHEDULED PAYMENTS" means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due

after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Notes in question, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2 or 12.1.

"SETTLEMENT DATE" means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

9. AFFIRMATIVE COVENANTS.

Each of the Parent and the Company covenants that so long as any of the Notes are outstanding:

9.1. COMPLIANCE WITH LAW.

The Parent and the Company will, and will cause each other Subsidiary to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.2. INSURANCE.

The Parent and the Company will, and will cause each other Restricted Subsidiary to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

9.3. MAINTENANCE OF PROPERTIES.

The Parent and the Company will, and will cause each Restricted Subsidiary to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, provided that this Section 9.3 shall not prevent the Parent, the Company or any other Restricted Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in

the conduct of its business and the Parent has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

#### 9.4. PAYMENT OF TAXES AND CLAIMS.

The Parent and the Company will, and will cause each other Subsidiary to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Parent or any Subsidiary, including the Company, provided that neither the Parent nor any Subsidiary, including the Company, need pay any such tax or assessment or claims if (i) the amount, applicability or validity thereof is contested by the Parent, or such Subsidiary, including the Company, on a timely basis in good faith and in appropriate proceedings, and the Parent or a Subsidiary, including the Company, has established adequate reserves therefor in accordance with GAAP on the books of the Parent or such Subsidiary, including the Company, or (ii) the nonpayment of all such taxes and assessments in the aggregate could not reasonably be expected to have a Material Adverse Effect.

#### 9.5. CORPORATE EXISTENCE, ETC.

Subject to Section 10.6 and to the Migration, each of the Parent and the Company will at all times preserve and keep in full force and effect its corporate existence. Subject to Sections 10.5 and 10.6, the Parent and the Company will at all times preserve and keep in full force and effect the corporate existence of each other Restricted Subsidiary (unless merged into the Parent or a Restricted Subsidiary) and all rights and franchises of the Parent and its Restricted Subsidiaries, including the Company, unless, in the good faith judgment of the Parent, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise could not, individually or in the aggregate, have a Material Adverse Effect.

#### 10. NEGATIVE COVENANTS.

Each of the Parent and the Company covenants that so long as any of the Notes are outstanding:

##### 10.1. INDEBTEDNESS; PRIORITY DEBT.

The Parent will not permit at any time:

(a) the ratio of Consolidated Senior Debt (as of any date of determination) to EBITDAR (for the Company's then most recently completed four fiscal quarters) to be greater than 3.5 to 1.0; or

(b) Priority Debt to exceed 15% of Consolidated Net Worth.

## 10.2. FIXED CHARGE RATIO

The Parent will not permit the ratio (calculated as of the end of each fiscal quarter) of EBITDAR to Fixed Charges for the period of four quarters ending as of the last day of each fiscal quarter to be less than 1.5 to 1.0.

## 10.3. ADJUSTED CONSOLIDATED NET WORTH.

The Company will not permit Consolidated Net Worth at any time to be less than (i) \$800,000,000 plus (ii) the cumulative sum of 50% of Consolidated Net Income (but only if a positive number) for each fiscal quarter ending after March 31, 2001.

## 10.4. LIENS.

The Parent and the Company will not, and will not permit any other Restricted Subsidiary to, permit to exist, create, assume or incur, directly or indirectly, any Lien on its properties or assets, whether now owned or hereafter acquired (unless, concurrently with the incurrence, assumption or creation of such Lien, the Parent and the Company make, or cause to be made, effective provision whereby the Notes are equally and ratably secured by a Lien on the same property or assets, including the execution of an intercreditor agreement, in form satisfactory to holders of the Notes, between such holders and the holders of other Indebtedness secured by a Lien on such property), except:

(a) Liens for taxes, assessments or governmental charges not then due and payable or the nonpayment of which is permitted by Section 9.4;

(b) Liens incidental to the conduct of business or the ownership of properties and assets (including landlords', lessors', carriers', warehousemen's, mechanics', materialmen's and other similar Liens) and Liens to secure the performance of bids, tenders, leases or trade contracts, or to secure statutory obligations (including obligations under workers compensation, unemployment insurance and other social security legislation), surety or appeal bonds or other Liens of like general nature incurred in the ordinary course of business and not in connection with the borrowing of money;

(c) any attachment or judgment Lien, unless the judgment it secures has not, within 60 days after the entry thereof, been discharged or execution thereof stayed pending appeal, or has not been discharged within 60 days after the expiration of any such stay;

(d) Liens securing Indebtedness of a Restricted Subsidiary to the Parent or to another Restricted Subsidiary, including the Company;

(e) Liens existing on property or assets of the Parent or any Restricted Subsidiary, including the Company, as of the date of this Agreement that are described in Schedule 10.4;

(f) encumbrances in the nature of leases, subleases, zoning restrictions, easements, rights of way and other rights and restrictions of record on the use of real property, minor survey exceptions and defects in title incidental to the ownership of property or assets or to the ordinary conduct of business, which, individually and in the aggregate, do not materially impair the use or value of the property or assets subject thereto;

(g) Liens of a consignor of merchandise to the Parent or a Restricted Subsidiary, including the Company, on such consignor's merchandise and Liens of lessors of equipment to the Parent or a Restricted Subsidiary, including the Company, on such lessor's leased equipment;

(h) Liens (i) existing on property at the time of its acquisition by the Parent or a Restricted Subsidiary, including the Company, and not created in contemplation thereof, whether or not the Indebtedness secured by such Lien is assumed by the Parent or a Restricted Subsidiary, including the Company; or (ii) on property created contemporaneously with its acquisition or construction or within 365 days of the acquisition or completion of construction thereof to secure or provide for all or a portion of the purchase price or cost of construction of such property after the date of Closing; or (iii) existing on property of a Person at the time such Person is merged or consolidated with, or becomes a Restricted Subsidiary of, or substantially all of its assets are acquired by, the Parent or a Restricted Subsidiary, including the Company, and not created in contemplation thereof; provided that, in the case of clauses (i), (ii) and (iii), such Liens do not extend to additional property of the Parent or any Restricted Subsidiary, including the Company, and that the aggregate principal amount of Indebtedness secured by each such Lien does not exceed the lesser of the cost of acquisition or construction or the fair market value (as determined in good faith by one or more officers to whom authority to enter into the transaction has been delegated by the Board of Directors of the Parent) of the property subject thereto;

(i) Liens resulting from extensions, renewals or replacements of Liens permitted by paragraphs (d), (e), (g) and (h), provided that (i) there is no increase in the principal amount or decrease in maturity of the Indebtedness secured thereby at the time of such extension, renewal or replacement, (ii) any new Lien attaches only to the same property theretofore subject to such earlier Lien and (iii) immediately after such extension, renewal or replacement no Default or Event of Default would exist; and

(j) additional Liens securing Indebtedness not otherwise permitted by paragraphs (a) through (i) above, provided that, at the time of creation, assumption or incurrence thereof and immediately after giving effect thereto and to the application of the proceeds therefrom, Priority Debt does not exceed 15% of Consolidated Net Worth.

#### 10.5. SALE OF ASSETS.

Except as permitted by Section 10.6, the Parent and the Company will not, and will not permit any other Restricted Subsidiary to, sell, lease, transfer or otherwise dispose of,

including by way of merger (collectively a "Disposition"), any assets, including capital stock of Restricted Subsidiaries, in one or more transactions, to any Person, other than (a) Dispositions in the ordinary course of business, (b) Dispositions by the Parent or the Company to a Restricted Subsidiary, including the Company, or by a Restricted Subsidiary to the Parent or another Restricted Subsidiary, including the Company, or (c) Dispositions not otherwise permitted by this Section 10.5, provided that the aggregate net book value of all assets so disposed of in any fiscal year pursuant to this Section 10.5(c) does not exceed 10% of Consolidated Total Assets as of the end of the immediately preceding fiscal year. Notwithstanding the foregoing, the Parent and the Company may, or may permit any other Restricted Subsidiary to, make a Disposition and the assets subject to such Disposition shall not be subject to or included in the foregoing limitation and computation contained in clause (c) of the preceding sentence to the extent that (x) such assets are leased back by the Parent or any Restricted Subsidiary, including the Company, as lessee, within 365 days of the original acquisition or construction thereof by the Parent or such Restricted Subsidiary, including the Company, or (y) the net proceeds from such Disposition are within 365 days of such Disposition (A) reinvested in productive assets by the parent or a Restricted Subsidiary, including the Company, consistent with Section 10.9 or (B) applied to the payment or prepayment of any outstanding Senior Debt of the Parent or any Restricted Subsidiary, including the Company. For purposes of clause (B), the Company shall offer to prepay (not less than 30 or more than 60 days following such offer) the Notes on a pro rata basis with such other Senior Debt at a price of 100% of the principal amount of the Notes to be prepaid (without any Make-Whole Amount) together with interest accrued to the date of prepayment; provided that if any holder of the Notes declines such offer, the proceeds that would have been paid to such holder shall be offered pro rata to the other holders of the Notes that have accepted the offer. A failure by a holder of Notes to respond in writing not later than 10 days prior to the proposed prepayment date to an offer to prepay made pursuant to this Section 10.5 shall be deemed to constitute a rejection of such offer by such holder.

#### 10.6. MERGERS, CONSOLIDATIONS, ETC.

The Parent and the Company will not, and will not permit any other Restricted Subsidiary to, consolidate with or merge with any other Person or convey, transfer, sell or lease all or substantially all of its assets in a single transaction or series of transactions to any Person except that:

(a) the Company may consolidate or merge with any other Person or convey, transfer, sell or lease all or substantially all of its assets in a single transaction or series of transactions to any Person, provided that:

(i) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer, sale or lease of all or substantially all of the assets of the Company as an entirety, as the case may be, shall be a solvent corporation organized and existing under the laws of the United States or any state thereof (including the District of Columbia), and, if the Company is not such corporation, such corporation (x) shall have executed and delivered to each holder of any Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement

and the Notes and (y) shall have caused to be delivered to each holder of any Notes an opinion of independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof; and

(ii) immediately before and after giving effect to such transaction, no Default or Event of Default shall exist;

(b) the Parent may consolidate or merge with any other Person or convey, transfer, sell or lease all or substantially all of its assets in a single transaction or series of transactions to any Person, provided that:

(i) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer, sale or lease of all or substantially all of the assets of the Parent as an entirety, as the case may be, shall be a solvent corporation organized and existing under the laws of the United States or any state thereof (including the District of Columbia), and, if the Parent is not such corporation, such corporation (x) shall have executed and delivered to each holder of any Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement and the Parent Guaranty and (y) shall have caused to be delivered to each holder of any Notes an opinion of independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof; and

(ii) immediately before and after giving effect to such transaction, no Default or Event of Default shall exist; and

(c) any Restricted Subsidiary other than the Company may (x) merge into the Parent or the Company (provided that the Parent or the Company is the surviving corporation) or another Restricted Subsidiary or (y) sell, transfer or lease all or any part of its assets to the Parent or another Restricted Subsidiary, including the Company, or (z) merge or consolidate with, or sell, transfer or lease all or substantially all of its assets to, any Person in a transaction that is permitted by Section 10.5 or, as a result of which, such Person becomes a Restricted Subsidiary; provided in each instance set forth in clauses (x) through (z) that, immediately before and after giving effect thereto, there shall exist no Default or Event of Default;

Anything in this Section 10.6 to the contrary notwithstanding, the Parent may effect the Migration. No such conveyance, transfer, sale or lease of all or substantially all of the assets of the Parent or the Company shall have the effect of releasing the Parent or the Company or any successor corporation that shall theretofore have become such in the manner prescribed in this Section 10.6 from its liability under this Agreement, the Notes or the Parent Guaranty, as the case may be.

#### 10.7. DISPOSITION OF STOCK OF RESTRICTED SUBSIDIARIES.

The Parent and the Company (i) will not permit any Restricted Subsidiary, including the Company, to issue its capital stock, or any warrants, rights or options to purchase, or securities convertible into or exchangeable for, such capital stock, to any Person other than the Parent, the Company or another Wholly Owned Restricted Subsidiary or any Person that, at the time of creation thereof, was the minority owner of such Restricted Subsidiary, and (ii) will not, and will not permit any other Restricted Subsidiary to, sell, transfer or otherwise dispose of any shares of capital stock of a Restricted Subsidiary if such sale would be prohibited by Section 10.5. If a Restricted Subsidiary at any time ceases to be such as a result of a sale or issuance of its capital stock, any Liens on property of the Parent or any other Restricted Subsidiary, including the Company, securing Indebtedness owed to such Restricted Subsidiary, which is not contemporaneously repaid, together with such Indebtedness, shall be deemed to have been incurred by the Parent or such other Restricted Subsidiary, including the Company, as the case may be, at the time such Restricted Subsidiary ceases to be a Restricted Subsidiary.

#### 10.8. DESIGNATION OF UNRESTRICTED AND RESTRICTED SUBSIDIARIES.

The Parent may designate any Restricted Subsidiary other than the Company or a Subsidiary Guarantor as an Unrestricted Subsidiary and any Unrestricted Subsidiary as a Restricted Subsidiary; provided that,

(a) if such Subsidiary initially is designated a Restricted Subsidiary, then such Restricted Subsidiary may be subsequently designated as an Unrestricted Subsidiary and such Unrestricted Subsidiary may be subsequently designated as a Restricted Subsidiary, but no further changes in designation may be made;

(b) if such Subsidiary initially is designated an Unrestricted Subsidiary, then such Unrestricted Subsidiary may be subsequently designated as a Restricted Subsidiary and such Restricted Subsidiary may be subsequently designated as an Unrestricted Subsidiary, but no further changes in designation may be made;

(c) the Parent may not designate a Restricted Subsidiary as an Unrestricted Subsidiary unless: (i) such Restricted Subsidiary does not own, directly or indirectly, any Indebtedness or capital stock of the Company or any other Restricted Subsidiary, (ii) such designation, considered as a sale of assets, is permitted pursuant to Sections 10.5 through 10.7, inclusive, and (iii) immediately before and after such designation there exists no Default or Event of Default; and

(d) each Subsidiary Guarantor must be designated a Restricted Subsidiary.

#### 10.9. NATURE OF BUSINESS.

The Parent and the Company will not, and will not permit any Restricted Subsidiary to, engage in any business if, as a result, the general nature of the business in which the Parent and the Company and its Restricted Subsidiaries, taken as a whole, would then be

engaged would be substantially changed from the general nature of the business in which the Parent and the Company and its Restricted Subsidiaries, taken as a whole, are engaged on the date of this Agreement.

#### 10.10. TRANSACTIONS WITH AFFILIATES.

The Parent and the Company will not and will not permit any Restricted Subsidiary to enter into directly or indirectly any Material transaction or Material group of related transactions (including the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Parent, the Company or another Restricted Subsidiary), except in the ordinary course and pursuant to the reasonable requirements of the Company's and such Subsidiary's business and upon fair and reasonable terms no less favorable to the Parent, the Company or such Restricted Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

#### 10.11. GUARANTIES.

The Parent and the Company will not permit any Subsidiary to become, and the Parent will not become, a guarantor of Indebtedness owed to banks under the Credit Agreement or to directly or indirectly guarantee any of the Company's or the Parent's Indebtedness or other obligations unless such Subsidiary or the Parent, as the case may be, is, or concurrently therewith becomes, a party to the Subsidiary Guaranty or the Parent Guaranty, as appropriate.

#### 11. EVENTS OF DEFAULT.

An "EVENT OF DEFAULT" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note for more than five Business Days after the same becomes due and payable; or

(c) the Parent or the Company defaults in the performance of or compliance with any term contained in Sections 7.1(e) or Sections 10.1 through 10.11; or

(d) the Parent or the Company defaults in the performance of or compliance with any term contained herein (other than those referred to in paragraphs (a), (b) and (c) of this Section 11) and such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note; or

(e) any representation or warranty made in writing by or on behalf of the Parent, the Company or any Subsidiary Guarantor or by any officer of any of them in this

Agreement, the Parent Guaranty or the Subsidiary Guaranty or in any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) the Parent, the Company or any Restricted Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest aggregating \$1,000,000 or more on any Indebtedness that is outstanding in an aggregate principal amount in excess of 2% of Consolidated Net Worth (as of the end of the most recently completed fiscal period of the Parent) beyond any period of grace provided with respect thereto or (ii) the Parent, the Company or any Restricted Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness that is outstanding in an aggregate principal amount in excess of 2% of Consolidated Net Worth (as of the end of the most recently completed fiscal period of the Parent) or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared, due and payable before its stated maturity or before its regularly scheduled dates of payment; or

(g) the Parent, the Company or any Restricted Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(h) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by the Parent, the Company or any Restricted Subsidiary, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Parent, the Company or any Restricted Subsidiary, or any such petition shall be filed against the Parent, the Company or any Restricted Subsidiary and such petition shall not be dismissed within 60 days; or

(i) a final judgment or judgments for the payment of money aggregating 2% or more of Consolidated Net Worth (as of the end of the most recently completed fiscal period of the Parent) are rendered against one or more of the Parent, the Company and any Restricted Subsidiaries, which judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay; or

(j) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Parent or any ERISA Affiliate, including the Company, that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall equal or exceed 2% of Consolidated Net Worth (as of the end of the most recently completed fiscal period of the Parent), (iv) the Parent or any ERISA Affiliate, including the Company, shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Parent or any ERISA Affiliate, including the Company, withdraws from any Multiemployer Plan, or (vi) the Parent or any Subsidiary, including the Company, establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Parent or any Subsidiary, including the Company, thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect;

(k) the Parent or any Subsidiary Guarantor defaults in the performance of or compliance with any term contained in the Parent Guaranty or the Subsidiary Guaranty or either of the Guaranties ceases to be in full force and effect as a result of acts taken by the Company, the Parent or any Subsidiary Guarantor, as the case may be, except as provided in Section 22 as to the Subsidiary Guaranty, or is declared to be null and void in whole or in material part by a court or other governmental or regulatory authority having jurisdiction or the validity or enforceability thereof shall be contested by any of the Parent, the Company or any Subsidiary Guarantor or any of them renounces any of the same or denies that it has any or further liability thereunder.

As used in Section 11(j), the terms "employee benefit plan" and "employee welfare benefit plan" shall have the respective meanings assigned to such terms in section 3 of ERISA.

## 12. REMEDIES ON DEFAULT, ETC.

### 12.1. ACCELERATION.

(a) If an Event of Default with respect to the Parent or the Company described in paragraph (g) or (h) of Section 11 (other than an Event of Default described in clause (i) of paragraph (g) or described in clause (vi) of paragraph (g) by virtue of the fact that such clause encompasses clause (i) of paragraph (g)) has occurred, all the Series 2001-A Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, any holder or holders of more than 50% in principal amount of the Series 2001-A Notes at the time outstanding may at any time at its or their option, by notice or notices to the Company, declare all Series 2001-A Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in paragraph (a) or (b) of Section 11 has occurred and is continuing, any holder or holders of Series 2001-A Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Series 2001-A Notes held by it or them to be immediately due and payable.

Upon any Series 2001-A Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Series 2001-A Notes will forthwith mature and the entire unpaid principal amount of such Series 2001-A Notes, plus (x) all accrued and unpaid interest thereon and (y) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Series 2001-A Note has the right to maintain its investment in the Series 2001-A Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Series 2001-A Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

#### 12.2. OTHER REMEDIES.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

#### 12.3. RESCISSION.

At any time after any Series 2001-A Notes have been declared due and payable pursuant to clause (b) or (c) of Section 12.1, the holders of more than 50% in principal amount of the Series 2001-A Notes then outstanding, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Series 2001-A Notes, all principal of and Make-Whole Amount, if any, on any Series 2001-A Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Series 2001-A Notes, at the Default Rate, (b) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived

pursuant to Section 17, and (c) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Series 2001-A Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

#### 12.4. NO WAIVERS OR ELECTION OF REMEDIES, EXPENSES, ETC.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

#### 13. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

##### 13.1. REGISTRATION OF NOTES.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor, promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

##### 13.2. TRANSFER AND EXCHANGE OF NOTES.

Upon surrender of any Note at the principal executive office of the Company for registration of transfer or exchange (and in the case of a surrender for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered holder of such Note or his attorney duly authorized in writing and accompanied by the address for notices of each transferee of such Note or part thereof), the Company shall execute and deliver within five Business Days, at the Company's expense (except as provided below), one or more new Notes (as requested by the holder thereof) of the same series and tranche in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of the Note established for such series. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or

governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than \$500,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than \$500,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.2.

### 13.3. REPLACEMENT OF NOTES.

Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note that is an Institutional Investor with a minimum net worth of at least \$50,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

the Company at its own expense shall execute and deliver within five Business Days, in lieu thereof, a new Note of the same series and tranche, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such loss, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

### 14. PAYMENTS ON NOTES.

#### 14.1. PLACE OF PAYMENT.

Subject to Section 14.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in Chicago, Illinois at the principal office of Bank of America in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

#### 14.2. HOME OFFICE PAYMENT.

So long as you or your nominee shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose below your name in Schedule A, or by such other method or at such other address as you shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of

such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, you shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by you or your nominee you will, at your election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by you under this Agreement and that has made the same agreement relating to such Note as you have made in this Section 14.2.

15. EXPENSES, ETC.

15.1. TRANSACTION EXPENSES.

Whether or not the transactions contemplated hereby are consummated, the Company will pay all reasonable costs and expenses (including reasonable attorneys' fees of special counsel (but only one in connection with the transaction contemplated hereby) and, if reasonably required, local or other special counsel) incurred by you and each Other Purchaser or holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement, the Notes, the Parent Guaranty, the Subsidiary Guaranty or the Intercreditor Agreement (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, the Notes, the Parent Guaranty, the Subsidiary Guaranty or the Intercreditor Agreement or by reason of being a holder of any Note, and (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes. The Company will pay, and will save you and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses if any, of brokers and finders (other than those retained by you).

15.2. SURVIVAL.

The obligations of the Company under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement or the Notes, and the termination of this Agreement.

16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by you of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of you or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Parent or the Company pursuant to this Agreement shall be deemed representations and warranties of the Parent and the Company under this Agreement. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between you and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

17. AMENDMENT AND WAIVER.

17.1. REQUIREMENTS.

This Agreement (as it pertains to the Series 2001-A Notes) and the Series 2001-A Notes may be amended, and the observance of any term hereof or of the Series 2001-A Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 21 hereof, or any defined term (as it is used therein), will be effective as to you unless consented to by you in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Series 2001-A Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount on, the Series 2001-A Notes, (ii) change the percentage of the principal amount of the Series 2001-A Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend any of Sections 8, 11(a), 11(b), 12, 17 or 20.

17.2. SOLICITATION OF HOLDERS OF NOTES.

(a) SOLICITATION. The Company will provide each holder of the Series 2001-A Notes (irrespective of the amount of Series 2001-A Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions of this Agreement (as it pertains to the Series 2001-A Notes) or of the Series 2001-A Notes. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 17 to each holder of outstanding Series 2001-A Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Series 2001-A Notes.

(b) Payment. The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security, to any holder of Series 2001-A Notes as consideration

for or as an inducement to the entering into by any holder of Series 2001-A Notes or any waiver or amendment of any of the terms and provisions hereof unless such remuneration is concurrently paid, or security is concurrently granted, on the same terms, ratably to each holder of Series 2001-A Notes then outstanding even if such holder did not consent to such waiver or amendment.

17.3. BINDING EFFECT, ETC.

Any amendment or waiver consented to as provided in this Section 17 applies equally to all holders of Series 2001-A Notes and is binding upon them and upon each future holder of any Series 2001-A Note and upon the Company without regard to whether such Series 2001-A Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any Series 2001-A Note nor any delay in exercising any rights hereunder or under any Series 2001-A Note shall operate as a waiver of any rights of any holder of such Series 2001-A Note. As used herein, the term "this Agreement" or "the Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

NOTES HELD BY COMPANY, ETC.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

18. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to you or your nominee, to you or it at the address specified for such communications in Schedule A, or at such other address as you or it shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing, or

(iii) if to the Parent or the Company, to the Parent or the Company at its address set forth at the beginning hereof to the attention of Chief Financial Officer, or at such other address as the Parent or the Company shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed given only when actually received.

19. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by you at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to you, may be reproduced by you by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and you may destroy any original document so reproduced. The Parent and the Company agree and stipulate that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by you in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit the Parent or the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

20. CONFIDENTIAL INFORMATION.

For the purposes of this Section 20, "Confidential Information" means information delivered to you by or on behalf of the Parent or any Subsidiary, including the Company, in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by you as being confidential information of the Parent or such Subsidiary, including the Company, provided that such term does not include information that (a) was publicly known or otherwise known to you prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by you or any Person acting on your behalf, (c) otherwise becomes known to you other than through disclosure by the Parent or any Subsidiary, including the Company, or (d) constitutes financial statements delivered to you under Section 7.1 that are otherwise publicly available. You will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by you in good faith to protect confidential information of third parties delivered to you, provided that you may deliver or disclose Confidential Information to (i) your directors, trustees, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by your Notes), (ii) your financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20, (iii) any other holder of any Note, (iv) any Institutional Investor to which you sell or offer to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (v) any Person from which you offer to purchase any security of the Parent or the Company (if such Person has agreed in writing prior to its receipt of such

Confidential Information to be bound by the provisions of this Section 20), (vi) any federal or state regulatory authority having jurisdiction over you, (vii) the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about your investment portfolio or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to you, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which you are a party or (z) if an Event of Default has occurred and is continuing, to the extent you may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under your Notes and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Parent or the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Parent and the Company embodying the provisions of this Section 20.

21. SUBSTITUTION OF PURCHASER.

You shall have the right to substitute any one of your Affiliates as the purchaser of the Notes that you have agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both you and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, wherever the word "you" is used in this Agreement (other than in this Section 21), such word shall be deemed to refer to such Affiliate in lieu of you. In the event that such Affiliate is so substituted as a purchaser hereunder and such Affiliate thereafter transfers to you all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, wherever the word "you" is used in this Agreement (other than in this Section 21), such word shall no longer be deemed to refer to such Affiliate, but shall refer to you, and you shall have all the rights of an original holder of the Notes under this Agreement.

22. RELEASE OF SUBSIDIARY GUARANTORS.

You and each subsequent holder of a Note agree that automatically and without further action by you or any other holder of a Note that each Subsidiary Guarantor shall be released from the Subsidiary Guaranty (i) if such Subsidiary Guarantor ceases to be such as a result of a Disposition permitted by Sections 10.5 or 10.6 or (ii) at such time as the banks party to the Credit Agreement release such Subsidiary Guarantor from the Bank Guarantee; provided, however, that such Subsidiary Guarantor shall not be released from the Subsidiary Guaranty under the circumstances contemplated by clause (ii), if (A) a Default or Event of Default has occurred and is continuing, (B) such Subsidiary Guarantor is to become a borrower under the Credit Agreement or (C) such release is part of a plan of financing that contemplates such

Subsidiary Guarantor guaranteeing any other Indebtedness of the Company. The release of any Subsidiary Guarantor from the Subsidiary Guaranty is conditioned upon your prior receipt of a certificate from a Senior Financial Officer of the Company stating that none of the circumstances described in clauses (A), (B) and (C) above are true.

23. MISCELLANEOUS.

23.1. SUCCESSORS AND ASSIGNS.

All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

23.2. PAYMENTS DUE ON NON-BUSINESS DAYS.

Anything in this Agreement or the Notes to the contrary notwithstanding, any payment of principal of or Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

23.3. SEVERABILITY.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

23.4. CONSTRUCTION.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

23.5. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

23.6. GOVERNING LAW.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of Illinois excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

23.7. INTERCREDITOR AGREEMENT.

Each holder of a Note agrees to execute a counterpart of or otherwise become a party to the Intercreditor Agreement and to be bound thereby.

\* \* \* \* \*

If you are in agreement with the foregoing, please sign the form of agreement on the accompanying counterpart of this Agreement and return it to the Company, whereupon the foregoing shall become a binding agreement among you, the Parent and the Company.

Very truly yours,

CONSOLIDATED STORES CORPORATION,  
an Ohio Corporation

By: /s/ Albert J. Bell

Name: Albert J. Bell

Title: Vice Chairman & Chief Administrative Officer

CONSOLIDATED STORES CORPORATION,  
a Delaware Corporation

By: /s/ Albert J. Bell

Name: Albert J. Bell

Title: Vice Chairman & Chief Administrative Officer

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The foregoing is agreed to as of the date thereof.

ALLSTATE LIFE INSURANCE COMPANY

By:       /s/ Patricia W. Wilson  
-----  
Name:     Patricia W. Wilson  
-----  
Title:       
-----

By:       /s/ Daniel C. Leimbach  
-----  
Name:     Daniel D. Leimbach  
-----  
Title:       
-----

Authorized Signatories

TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY

By:       /s/ Mark E. Dunn  
-----  
Name:     Mark E. Dunn  
-----  
Title:    Vice President  
-----

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## GENERAL ELECTRIC CAPITAL ASSURANCE COMPANY

By: /s/ Morian C. Mooers

Name: Morian C. Mooers

Title: Investment Officer

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GE EDISON LIFE INSURANCE COMPANY

By:       /s/ Hiroyuki Kimoto  
-----  
Name:     Hiroyuki Kimoto  
-----  
Title:    General Manager Securities  
-----

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CONNECTICUT GENERAL LIFE INSURANCE COMPANY  
By: CIGNA Investments, Inc. (authorized  
agent)

By: /s/ Stephen H. Wilson  
-----  
Name: Stephen H. Wilson  
-----  
Title: Managing Director  
-----

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## LIFE INSURANCE COMPANY OF NORTH AMERICA

By: CIGNA Investments, Inc. (authorized  
agent)

By: /s/ Stephen H. Wilson  
-----  
Name: Stephen H. Wilson  
-----  
Title: Managing Director  
-----

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THE TRAVELERS INSURANCE COMPANY

By:       /s/ Robert M. Mills  
-----  
Name:     Robert M. Mills  
-----  
Title:    Investment Officer  
-----

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## THE TRAVELERS LIFE AND ANNUITY COMPANY

By: /s/ Robert M. Mills

-----  
Name: Robert M. Mills-----  
Title: Investment Officer  
-----

## PRINCIPAL LIFE INSURANCE COMPANY

By: Principal Capital Management, LLC  
a Delaware limited liability company,  
its authorized signatory

By: /s/ Jon C. Heiny

Its: Jon C. Heiny, Counsel

By: /s/ James C. Fifield

Its: James C. Fifield, Counsel

FIRST ALLMERICA FINANCIAL LIFE  
INSURANCE COMPANY

By: /s/ Michael F. Lannigan

Name: Michael F. Lannigan

Title: Assistant Treasurer

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## HARTFORD LIFE AND ANNUITY

## INSURANCE COMPANY

By: Hartford Investment Services, Inc.,  
its Agent and Attorney-in-Fact

By: /s/ Betsy Roberts

-----  
Name: Betsy Roberts

-----  
Title: Senior Vice President

NATIONWIDE LIFE INSURANCE  
COMPANY

By:       /s/ Mark W. Poeppelman  
-----  
Name:     Mark W. Poeppelman  
-----  
Title:    Associate Vice President  
-----

## PACIFIC LIFE INSURANCE COMPANY

By: /s/ Violet Osterberg

Name: Violet Osterberg

Title: Assistant Vice President

By: /s/ Cathy L. Schwartz

Name: Cathy L. Schwartz

Title: Assistant Secretary

AMERICAN FAMILY LIFE INSURANCE  
COMPANY

By: /s/ Phillip Hannifan

Name: Phillip Hannifan

Title: Investment Director

CLARICA LIFE INSURANCE COMPANY--  
U.S.

By: /s/ Constance L. Keller

-----  
Name: Constance L. Keller

-----  
Title: Executive Director, Private Placements  
-----

PHOENIX HOME LIFE MUTUAL  
INSURANCE CO.

By: /s/ Christopher Wilkos

-----  
Name: Christopher Wilkos-----  
Title: Vice President, Corporate Portfolio  
-----  
Management Phoenix Home Life  
-----

## SCHEDULE A

-----

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	TRANCHE 1 -----	TRANCHE 2 -----	TRANCHE 3 -----
Allstate Life Insurance Company			
	\$9,000,000	\$7,000,000 \$6,000,000	\$10,000,000 \$3,000,000

- (1) All payments by Fedwire transfer of immediately available funds, identifying the name of the Issuer, the Private Placement Number preceded by "DPP" and the payment as principal, interest or premium in the format as follows:

BBK = Harris Trust and Savings Bank  
ABA #071000288  
BNF = Allstate Life Insurance Company  
Collection Account #168-117-0  
ORG = Consolidated Stores Corporation  
OBI = DPP - 210149 B\* 0  
Payment Due Date (MM/DD/YY) - P \_\_\_\_\_ (Enter "P"  
and amount of principal being remitted, for example,  
P5000000) - I \_\_\_\_\_ (Enter "I" and amount of  
interest being remitted, for example, I225000.00)

- (2) All notices of scheduled payments and written confirmations of such wire transfer to be sent to:

Allstate Insurance Company  
Investment Operations - Private Placements  
3075 Sanders Road, STE G4A  
Northbrook, IL 60062-7127  
Telephone: (847) 402-2769  
Telecopy: (847) 326-5040

- (3) Securities to be delivered to:

Citibank, Federal Savings Bank  
U.S. Custody & Employee Benefit Trust  
500 W. Madison Street, Floor 6, Zone 4  
Chicago, IL 60661-2591  
Attention: Pam Jost  
For Allstate Life Insurance Company/ Safekeeping Account No.  
846627

- (4) All financial reports, compliance certificates and all other written communications, including notice of prepayments, to be sent to:

Schedule A

Allstate Life Insurance Company  
Private Placements Department  
3075 Sanders Road, STE G5B  
Northbrook, IL 60062-7127  
Telephone: (847) 402-8922  
Telecopy: (847) 402-3092

Tax I.D. #: 36-2554642

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Schedule A

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED -----		
	TRANCHE 1 -----	TRANCHE 2 -----	TRANCHE 3 -----
Transamerica Occidental Life Insurance Company			
	\$30,000,000		

- (1) All payments on account of the TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY shall be made by wire transfer of immediately available funds to:

Boston Safe Deposit Trust  
 ABA# - 011001234  
 Credit DDA Account #125261  
 Attn: MBS Income, cc1253  
 Custody account # TRAF1505252  
 FC TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY.

ADDITIONAL REQUIRED INFORMATION: Identify source and application of funds.

Include the following: Security/Issuer Description, CUSIP (if available), principal and interest.

- (2) Payment Advice and Original Note:

All notice of and confirmation of PAYMENT information and the ORIGINAL note should be sent to the following address stating that the certificate is registered in the name of Transamerica Occidental Life Insurance Company.

AEGON USA Investment Management, Inc.  
 Attn: Angie Naslund  
 4333 Edgewood Road NE  
 Cedar Rapids, IA 52499-5113  
 Fax #: (319) 896-6843

- (3) Other Communication:

All other communications including FINANCIAL STATEMENT/REPORTING and ALL CLOSING DOCUMENTS should be directed to:

AEGON USA Investment Management, Inc.  
 Attn: Lizz Taylor--Private Placements  
 400 West Market Street  
 Louisville, KY 40202-5335  
 Fax #: (502) 560-2030

AND

AEGON USA Investment Management, Inc.  
Attn: Director of Private Placements  
4333 Edgewood Road NE  
Cedar Rapids, IA 52499-5335  
Fax #: (319) 369-2666

Two sets of conformed closing documents to:

AEGON USA Investment Management, Inc.  
Attn: Lizz Taylor--Private Placements  
400 West Market Street  
Louisville, KY 40202-5335  
Fax #: (502) 560-2030

AEGON USA Investment Management, Inc.  
Attn: Director of Private Placements  
4333 Edgewood Road NE  
Cedar Rapids, IA 52499-5335  
Fax #: (319) 369-2666

Stites & Harbison, PLLC  
AEGON Center  
Attention: Mary Scott Herrington  
400 West Market Street, Suite 1800  
Louisville, KY 40202

Tax ID #: 95-1060502

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED -----		
	TRANCHE 1 -----	TRANCHE 2 -----	TRANCHE 3 -----
GE Edison Life Insurance Company			
	\$10,000,000		

## (1) Notices:

All notices and communications:

GE Financial Assurance  
 Account: GE Edison Life Insurance Company  
 Two Union Square, 601 Union Street  
 Seattle, WA 98101  
 Attn: (see below)

- original note agreement, conformed copy of the note agreement, amendment requests, financial statements to be addressed as follows:

Attn: Investment Dept., Private Placements

Telephone No: (206) 516-4954  
 Fax No: (206) 516-4863

- notices with respect to payments and written confirmation of each such payment, to be addressed as follows:

Attn: Investment Accounting

Telephone No.: (206) 516-2871  
 Fax No.: (206) 516-4740

## (2) Payments:

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds to:

Bankers Trust Company  
 14 Wall Street  
 New York, NY 10005  
 SWIFT Code: BKTR US 33  
 ABA #021001033

Account Number 99-911-145

FCC #: 098620

Ref: security description, coupon, maturity, PPN #, identify principal or interest.

(3) Physical Delivery of the Notes:

Bankers Trust Co.  
14 Wall Street, 4th Floor  
Mail Stop 4042, Window 61  
New York, NY 10005  
Acct #098620  
Attn: Lorraine Squires (212) 618-2200

(4) Register In Nominee Name: SALKELD & CO.

TAX ID #: None (Foreign Company)

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED -----		
	TRANCHE 1 -----	TRANCHE 2 -----	TRANCHE 3 -----
General Electric Capital Assurance Company			
	\$20,000,000		

## (1) Notices:

All notices and communications:

GE Financial Assurance  
 Account: General Electric Capital Assurance Company  
 Two Union Square, 601 Union Street  
 Seattle, WA 98101  
 Attn: (see below)

- original note agreement, conformed copy of the note agreement, amendment requests, financial statements to be addressed as follows:

Attn: Investment Dept., Private Placements

Telephone No: (206) 516-4954  
 Fax No: (206) 516-4863

- notices with respect to payments and written confirmation of each such payment, to be addressed as follows:

Attn: Investment Accounting

Telephone No.: (206) 516-2871  
 Fax No.: (206) 516-4740

## (2) Payments:

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds to:

Bankers Trust Company  
 14 Wall Street  
 New York, NY 10005  
 SWIFT Code: BKTR US 33  
 ABA #021001033

Account Number 99-911-145

FCC #: 097833

Ref: security description, coupon, maturity, PPN #, identify principal or interest.

(3) Physical Delivery of the Notes:

Bankers Trust Co.  
14 Wall Street, 4th Floor  
Mail Stop 4042, Window 61  
New York, NY 10005  
Acct #097833  
Attn: Lorraine Squires (212) 618-2200

(4) Register In Nominee Name: SALKELD & CO.

Tax ID #: 91-6027719

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	TRANCHE 1 -----	TRANCHE 2 -----	TRANCHE 3 -----
Connecticut General Life Insurance Company			
(notes registered in the name of CIG & Co.)	\$4,100,000		
	\$4,100,000		
	\$3,600,000		
	\$1,000,000		
	\$1,000,000		
	\$1,000,000		
	\$1,600,000		

## (1) Payment on Account of Instruments

Federal Funds Wire Transfer

Chase NYC/CTR/

BNF= CIGNA Private Placements/ AC = 9009001802

ABA# 021000021

Accompanying Information:

OBI= [name of company; description of security; interest rate,  
maturity date; PPN; due date and application (as among  
principal, premium and interest of the payment being made);  
contact name and phone]

## (2) Address for Notices Related to Payments

CIG & Co.  
c/o CIGNA Investments, Inc.  
Attention: Securities Processing S-309  
900 Cottage Grove Road  
Hartford, CT 06152-2309

CIG & Co.  
c/o CIGNA Investments, Inc.  
Attention: Private Securities S-307  
Operations Group  
900 Cottage Grove Road  
Hartford, CT 06152-2307  
Fax: 860-726-7203

with a copy to:

Chase Manhattan Bank

Private Placement Servicing  
P.O. Box 1508  
Bowling Green Station  
New York, NY 10081  
Attention: CIGNA Private Placements  
Fax: 212-552-3107/1005

(3) Address for all other Notices:

CIG & Co.  
c/o CIGNA Investments, Inc.  
Attention: Private Securities S-307  
Operations Group  
900 Cottage Grove Road  
Hartford, CT 06152-2307  
Fax: 860-726-7203

TAX ID #: 13-3574027

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	-----	-----	-----
Life Insurance Company of North America	TRANCHE 1	TRANCHE 2	TRANCHE 3
	-----	-----	-----
(notes registered in the name of CIG & Co.)	\$3,600,000		

## (1) Payment on Account of Instruments

Federal Funds Wire Transfer

Chase NYC/CTR/

BNF= CIGNA Private Placements/ AC = 9009001802

ABA# 021000021

Accompanying Information:

OBI= [name of company; description of security; interest rate,  
maturity date; PPN; due date and application (as among  
principal, premium and interest of the payment being made);  
contact name and phone]

## (2) Address for Notices Related to Payments

CIG &amp; Co.

c/o CIGNA Investments, Inc.

Attention: Securities Processing S-309

900 Cottage Grove Road

Hartford, CT 06152-2309

CIG &amp; Co.

c/o CIGNA Investments, Inc.

Attention: Private Securities S-307

Operations Group

900 Cottage Grove Road

Hartford, CT 06152-2307

Fax: 860-726-7203

with a copy to:

Chase Manhattan Bank

Private Placement Servicing

P.O. Box 1508

Bowling Green Station

New York, NY 10081

Attention: CIGNA Private Placements

Fax: 212-552-3107/1005

(3) Address for all other Notices:

CIG & Co.  
c/o CIGNA Investments, Inc.  
Attention: Private Securities S-307  
Operations Group  
900 Cottage Grove Road  
Hartford, CT 06152-2307  
Fax: 860-726-7203

TAX ID #: 13-3574027

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	-----	-----	-----
The Travelers Insurance Company	TRANCHE 1	TRANCHE 2	TRANCHE 3
	-----	-----	-----
	\$19,000,000		

## (1) Payment Instructions:

All payments to be made by crediting (in the form of federal funds bank wire transfer, with sufficient information to identify the source and application of funds) the following account:

The Travelers Insurance Company - Consolidated Private  
Placement Account No. 910-2-587434  
The Chase Manhattan Bank, N.A.  
One Chase Manhattan Plaza  
New York, New York 10081  
ABA No. 021000021

## (2) Notices:

All notices with respect to payment should be directed to:

The Travelers Insurance Company  
One Tower Square  
Hartford, Connecticut 06183-2030  
Attention: Investment Group - Cashier 10 PB  
Facsimile: 860-277-7941

All other communications should be directed to:

The Travelers Insurance Company  
One Tower Square  
Hartford, Connecticut 06183-2030  
Attention: Investment Group - Private Placements 9 PB  
Facsimile: 860-954-5243

(3) Nominee Name: TRAL & CO

Tax ID #: 06-0566090 (a Connecticut corporation)

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED -----		
	TRANCHE 1 -----	TRANCHE 2 -----	TRANCHE 3 -----
The Travelers Life and Annuity Company			
	\$1,000,000		

## (1) Payment Instructions:

All payments to be made by crediting (in the form of federal funds bank wire transfer, with sufficient information to identify the source and application of funds) the following account:

The Travelers Insurance Company - Consolidated Private  
Placement Account No. 910-2-587434  
The Chase Manhattan Bank, N.A.  
One Chase Manhattan Plaza  
New York, New York 10081  
ABA No. 021000021

## (2) Notices:

All notices with respect to payment should be directed to:

The Travelers Life and Annuity Company  
One Tower Square  
Hartford, Connecticut 06183-2030  
Attention: Investment Group - Cashier 10 PB  
Facsimile: 860-277-7941

All other communications should be directed to:

The Travelers Life and Annuity Company  
One Tower Square  
Hartford, Connecticut 06183-2030  
Attention: Investment Group - Private Placements 9 PB  
Facsimile: 860-954-5243

(3) Nominee Name: TRAL & CO

Tax ID #: 06-0904249

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	-----	-----	-----
Principal Life Insurance Company	TRANCHE 1	TRANCHE 2	TRANCHE 3
	-----	-----	-----
	\$10,000,000		
	\$2,500,000		
	\$1,000,000		
	\$500,000		
	\$500,000		
	\$500,000		

- (1) All notices with respect to the Notes to be made payable to Principal Life, except with respect to payment should be sent to:

Principal Capital Management, LLC  
 801 Grand Ave.  
 Des Moines, IA 50392-0800  
 ATTN: Investment Department--Securities  
 Fax: (515) 248-2490  
 Confirmation: (515) 248-3495

- (2) All notices with respect to payments on the Notes payable to Principal Life should be sent to:

Principal Capital Management, LLC  
 801 Grand Ave.  
 Des Moines, IA 50392-0960  
 ATTN: Investment Accounting--Securities  
 Fax Number: (515) 248-2643  
 Phone Confirmation: (515) 247-0689

- (3) All payments with respect to the Notes payable to Principal Life should be made by a wire transfer of immediately available funds to:

ABA No.: 073000228  
 Wells Fargo Bank Iowa, N.A.  
 7th and Walnut Streets  
 Des Moines, IA 50309  
 For credit to Principal Life Insurance Company  
 Account No.: 0000014752  
 OBI PFGSE (S) B00638440

With sufficient information (including interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds.

(4) Upon closing, deliver the Notes to:

Principal Capital Management, LLC  
801 Grand Avenue  
Des Moines, IA 50392-0301  
Attn.: Jon Heiny, Esq.

TAX ID #: 42-0127290

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED -----		
	TRANCHE 1 -----	TRANCHE 2 -----	TRANCHE 3 -----
First Allmerica Financial Life Insurance Company			
440 Lincoln Street Worcester, MA 01653 Telefacsimile: (508) 852-6935	\$10,000,000		

## (1) Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as to CUSIP#, issuer, coupon rate and due date and indicating that portion of each payment intended to comprise (i) principal, (ii) interest, and (iii) a premium or other payment, specifying each) to:

Bankers Trust Company  
New York, NY 10005  
ABA No. 021 001 033  
Account No. 99-911-145 of Allmerica

For further credit to:  
First Allmerica Financial Life Insurance Company  
Account No. 090232

## (2) Notices

All notices and communications, including notices with respect to payments and written confirmation of each such payment, to be addressed as first provided above.

TAX ID #: 04-1867050

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED -----		
	TRANCHE 1 -----	TRANCHE 2 -----	TRANCHE 3 -----
Hartford Life and Annuity Insurance Company			
	\$10,000,000		

- (1) All payments by wire transfer of immediately available funds to:

Chase Manhattan Bank  
4 New York Plaza  
New York, NY 10004  
Bank ABA No. 021000021  
Chase NYC/Cust

A/C # 900-9-000200 for F/C/T G06583-ILA

Attn: Bond Interest/Principal--Consolidated Stores Corporation  
Series 2001-A, Tranche 1 Notes, 7.87% Due 2005 PPN #\_\_\_\_\_  
Prin \$\_\_\_\_\_ Int \$\_\_\_\_\_

with sufficient information to identify the source and application of such funds.

- (2) All notices of payments and written confirmations of such wire transfers:

Hartford Investment Management Company  
c/o Portfolio Support  
P.O. Box 1744  
Hartford, CT 06144-1744  
Telefacsimile: (860) 297-8875/ 8876

- (3) All other communications:

Hartford Investment Management Company  
c/o Investment Department--Private Placements  
P.O. Box 1744  
Hartford, CT 06144-1744  
Telefacsimile: 9860) 297-8884

## (4) Physical Delivery of Notes:

Chase Manhattan Bank  
North America Insurance  
3 MetroTech Center-- 6th Floor  
Brooklyn, NY 11245  
Attn: Bettye Carrera  
Custody Account Number: G06583-ILA must appear on outside  
of envelope

TAX ID #: 39-1052598

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	----- TRANCHE 1 -----	----- TRANCHE 2 -----	----- TRANCHE 3 -----
Nationwide Life Insurance Company			
	\$10,000,000		

- (1) Send notices and communications to:

Nationwide Life Insurance Company  
One Nationwide Plaza (1-33-07)  
Columbus, Ohio 43215-2220  
Attention: Corporate Fixed-Income Securities

- (2) Wiring instructions

The Bank of New York  
ABA #021-000-018  
BNF: IOC566  
F/A/O Nationwide Life Insurance Company Acct#: 267829  
Attn: P& I Department  
PPN#  
Security Description

- (3) All notices of payment on or in respect to the security should be sent to:

Nationwide Life Insurance Company  
c/o The Bank of New York  
P.O. Box 19266  
Attn: P& I Department  
Newark, NJ 07195

With a copy to:

Nationwide Life Insurance Company  
Attn: Investment Accounting  
One Nationwide Plaza (1-32-05)  
Columbus, Ohio 43215-2220

- (4) The original note should be registered in the name of Nationwide Life insurance Company and delivered to:

The Bank of New York  
One Wall Street  
3rd Floor--Window A  
New York, NY 10286  
F/A/O Nationwide Life Insurance Co. Acct# 267829

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED -----		
	TRANCHE 1 -----	TRANCHE 2 -----	TRANCHE 3 -----
American Family Life Insurance Company			
6000 American Parkway Madison, WI 53783-0001 Attn: Investment Division- Private Placements	\$5,500,000		

## (1) Payments:

All Payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds. Each such wire transfer shall set forth the name of the Company, the full title (including the coupon rate and final maturity date) of the Notes, and the due date and APPLICATION AMONG PRINCIPAL AND INTEREST OF THE PAYMENT BEING MADE. Payment shall be made to:

Firststar Bank Milwaukee, N.A  
Account of Firststar Trust Company  
ABA # 075000022  
For Credit to Account #112-950-027  
Trust Account 000018012500 for AFLIC-Traditional Portfolio  
Attn: Donna Glidden (414) 765-6709  
Credit for CUSIP # \_\_\_\_\_

## (2) Notices:

All notices and communications, including notices with respect to payments and written confirmation of each such payment as well as quarterly and annual financial statements, be addressed as first provided above.

## (3) Nominee name in which notes are to be registered: BAND &amp; Co.

## (4) Delivery of Notes: Send special delivery by overnight carrier to:

Firststar Bank Milwaukee, N.A.  
Securities Processing  
Attn: Mark Niemiec  
1555 North Rivercenter Drive  
Suite 210  
Milwaukee, WI 53212-3958

In addition, a specimen copy of each Note should be sent to American Family Life Insurance Company as addressed above.

TAX ID #: 39-6040365

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED -----		
	TRANCHE 1 -----	TRANCHE 2 -----	TRANCHE 3 -----
American Family Life Insurance Company			
6000 American Parkway	\$1,500,000		
Madison, WI 53783-0001			
Attn: Investment Division- Private Placements			

## (1) Payments:

All Payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds. Each such wire transfer shall set forth the name of the Company, the full title (including the coupon rate and final maturity date) of the Notes, and the due date and APPLICATION AMONG PRINCIPAL AND INTEREST OF THE PAYMENT BEING MADE. Payment shall be made to:

Firststar Bank Milwaukee, N.A  
Account of Firststar Trust Company  
ABA # 075000022  
For Credit to Account #112-950-027  
Trust Account 000018012800 for Annuities Portfolio  
Attn: Donna Glidden (414) 765-6709  
Credit for CUSIP # \_\_\_\_\_

## (2) Notices:

All notices and communications, including notices with respect to payments and written confirmation of each such payment as well as quarterly and annual financial statements, be addressed as first provided above.

## (3) Nominee name in which notes are to be registered: BAND &amp; Co.

## (4) Delivery of Notes: Send special delivery by overnight carrier to:

Firststar Bank Milwaukee, N.A.  
Securities Processing  
Attn: Mark Niemiec  
1555 North Rivercenter Drive  
Suite 210  
Milwaukee, WI 53212-3958

In addition, a specimen copy of each Note should be sent to American Family Life Insurance Company as addressed above.

TAX ID #: 39-6040365

## INFORMATION RELATING TO PURCHASERS

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED -----		
	TRANCHE 1 -----	TRANCHE 2 -----	TRANCHE 3 -----
Pacific Life Insurance Company			
	\$5,000,000		
	\$3,000,000		

## (1) Delivery/Registration Instructions

Account Information:  
 Nominee Name: Mac & Co.  
 -----

## (2) Please include all information to ensure proper delivery of certificates and P &amp; I. For Physical Delivery of Certificates:

Mellon Securities Trust Company  
 120 Broadway, 13th Floor  
 New York, NY 10271  
 Attn: Robert Feraro 212.374.1918  
 A/C Name: Pacific Life General Acct  
 A/C#: PLCF1810132

## For Payment of Principal &amp; Interest:

Federal Reserve Bank of Boston  
 ABA# 0110-0123-4/BOS SAFE DEP  
 DDA 125261  
 Attn: MBS Income CC: 1253

A/C Name: Pacific Life General Account/PLCF1810132

Regarding: Security Description & PPN

## (3) All notices of payments and written confirmations of such wire transfers to:

Mellon Trust

Attn: Pacific Life Accounting Team  
 One Mellon Bank Center-Room 0930  
 Pittsburgh, PA 15258-0001  
 FAX# 412-236-7529

And

Pacific Life Insurance Company  
Attn: Securities Administration - Cash Team  
700 Newport Center Drive  
Newport Beach, CA 92660-6397

FAX# 949-640-4013

(4) All other communications shall be addressed to:

Pacific Life Insurance Company  
Attn: Securities Department  
700 Newport Center Drive  
Newport Beach, CA 92660-6397  
FAX# 949-219-5406

TAX ID#: 95-1079000

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	-----	-----	-----
Phoenix Home Life Mutual Insurance Co.	TRANCHE 1	TRANCHE 2	TRANCHE 3
	-----	-----	-----
	\$2,000,000	\$2,000,000	\$2,000,000

(1) For Principal and Interest Payments for Tranche 1 Note:

ABA 021 000 021  
 Bank: Chase Manhattan Bank, N.A.  
 City, State New York, NY  
 Acct. No. 900 9000 200  
 Acct. Name: Income Processing  
 Reference: G05689, Phoenix Home, PPN = (Pvt. Plcmt. #)  
 OBI = (issuer name), Rate = (coupon), Due =  
 (mat. date) INCLUDE Company name, principal  
 and interest breakdown and premium, if any.

(2) For Principal and Interest Payments for Tranche 2 Note:

ABA 021 000 021  
 Bank: Chase Manhattan Bank, N.A.  
 City, State New York, NY  
 Acct. No. 900 9000 200  
 Acct. Name: Income Processing  
 Reference: G05520, Phoenix Home, PPN = (Pvt. Plcmt. #)  
 OBI = (issuer name), Rate = (coupon), Due =  
 (mat. date) INCLUDE Company name, principal  
 and interest breakdown and premium, if any.

(3) For Principal and Interest Payments for Tranche 3 Note:

ABA 021 000 021  
 Bank: Chase Manhattan Bank, N.A.  
 City, State New York, NY  
 Acct. No. 900 9000 200  
 Acct. Name: Income Processing  
 Reference: G05123, Phoenix Home, PPN = (Pvt. Plcmt. #)  
 OBI = (issuer name), Rate = (coupon), Due =  
 (mat. date) INCLUDE Company name, principal  
 and interest breakdown and premium, if any.

(4) Please send any correspondence and remittance reports to:

Phoenix Investment Partners  
c/o Phoenix Home Life Mutual Insurance Co.  
56 Prospect Street  
Hartford, CT 06115  
Attn: Private Placement Dept.  
Main fax: 860-403-7248

TAX ID #: 06-0493340

Name of Purchaser -----	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	-----	-----	-----
Clarica Life Insurance Company--U.S.	TRANCHE 1	TRANCHE 2	TRANCHE 3
	-----	-----	-----
c/o Clarica U.S., Inc. 13890 Bishop's Drive, Suite 300 Brookfield, WI 53005 Attention: Connie Keller Phone: (262) 641-4022 Facsimile: (262) 641-4055	\$3,000,000		

- (1) All payments on account of the Notes shall be made by wire or intrabank transfer of immediately available funds to:

ABA Routing Transit Number:	Wells Fargo Bank Minnesota, N.A.
*(field 3400)	091000019
Beneficiary Account Number:	0000840245 (Must be 10 digits in length)
Beneficiary Account Name:	Trust Wire Clearing (Must be on line 2)
*(field 4200)	
OBI	FFC: I.C. 13326600 Consolidated
	Stores Corp. PPN:
*(field 6000)	P= I=
	End Balance=
*Federal Reserve Field Tag Numbers	

- (2) All notices in respect of payment shall be delivered to:

Clarica Life Insurance Company-U.S.  
c/o Clarica U.S. Inc.  
Attn: Kae Miller  
13890 Bishop's Drive, Suite 300  
Brookfield, WI 53005  
Telephone: (262) 641-4042  
Facsimile: (262) 641-4055

- (3) All other communications shall be delivered to:

Clarica Life Insurance Company-U.S.  
c/o Clarica U.S. Inc.  
Attn: Kae Miller  
13890 Bishop's Drive, Suite 300  
Brookfield, WI 53005  
Telephone: (262) 641-4042  
Facsimile: (262) 641-4055

(4) Name of Nominee in which Notes are to be issued: Clarica Life Insurance  
Company-U.S.

Taxpayer I.D. Number: #45-0208990

-----  
 DEFINED TERMS  
 -----

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"AFFILIATE" means, at any time, and with respect to any Person, (a) any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and (b) any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of the Parent or any Subsidiary, including the Company, or any corporation of which the Parent and its Subsidiaries, including the Company, beneficially own or hold, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, "CONTROL" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Parent.

"BANK GUARANTY" means the Guaranty of the Subsidiary Guarantors of Indebtedness outstanding under the Credit Agreement, as such Guaranty or agreement may be amended, restated or otherwise modified, and any successors thereto.

"BUSINESS DAY" means (a) for the purposes of Section 8.6 only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed, and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in Chicago, Illinois or New York City are required or authorized to be closed.

"CAPITAL LEASE" means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

"CLOSING" is defined in Section 3.

"CODE" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"COMPANY" means Consolidated Stores Corporation, an Ohio corporation.

"CONFIDENTIAL INFORMATION" is defined in Section 20.

"CONSOLIDATED INCOME ADJUSTMENT" means the amount to be added to Consolidated Net Income for each of the quarters listed below in the amount specified next to such quarter. Such adjustment principally reflects non-cash charges or credits resulting from

discontinued operations. (The negative number listed below is to be subtracted from Consolidated Net Income.)

Quarter Ending on or About Date Specified Below	Adjustment
-----	-----
April 30, 2000	\$27,501,000
July 31, 2000	\$71,956,000
October 31, 2000	\$406,588,000
January 31, 2001	(\$27,069,000)

"CONSOLIDATED INTEREST EXPENSE" means, for any period, the consolidated interest expense of the Parent and its Restricted Subsidiaries, including the Company, for such period determined in accordance with GAAP (including imputed interest under Capital Leases).

"CONSOLIDATED NET INCOME" means, for any period, the net income or loss of the Parent and its Restricted Subsidiaries, including the Company, for such period determined on a consolidated basis in accordance with GAAP (but in any event excluding extraordinary nonrecurring gains or losses), plus or minus (without duplication) the applicable Consolidated Income Adjustment for such period.

"CONSOLIDATED NET WORTH" means, as of any date, consolidated total stockholders' equity of the Parent and its Restricted Subsidiaries, including the Company, on such date, determined in accordance with GAAP.

"CONSOLIDATED RENTALS" means, for any period, the rentals of the Parent and its Restricted Subsidiaries, including the Company, for such period under all leases of real property having a remaining term (including any required renewals or any renewals at the option of the lessor or lessee) of one year or more, determined on a consolidated basis in accordance with GAAP, but excluding therefrom any payments of contingent rentals.

"CONSOLIDATED SENIOR DEBT" means, at any time, the sum of (i) all Senior Debt of the Parent and its Restricted Subsidiaries, including the Company, determined on a consolidated basis in accordance with GAAP, and (ii) the product of (A) Consolidated Rentals for the preceding 12 months times (B) four.

"CONSOLIDATED TOTAL ASSETS" means, as of any date, the assets and properties of the Parent and its Restricted Subsidiaries, including the Company, as of such date determined on a consolidated basis in accordance with GAAP.

"CREDIT AGREEMENT" means the Credit Agreement dated as of May 8, 2001 by and among the Company, the Guarantors party thereto, the Banks party thereto, National City Bank (as Administrative Agent, Lead Arranger and a Managing Agent), Fleet National Bank (as Syndication Agent and a Managing Agent), PNC Bank, National Association and First Union

National Bank (as Documentation Agents and Managing Agents) and Bank of America, N.A., The Bank of New York and Firststar Bank, N.A. (as Other Managing Agents), as such agreement may be amended, modified, supplemented, refinanced or replaced from time to time.

"DEFAULT" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"DEFAULT RATE" means that rate of interest that is the greater of (i) 2% per annum above the rate of interest stated in clause (a) of the first paragraph of the Notes or (ii) 2% over the rate of interest publicly announced by Bank of America in Chicago, Illinois as its "base" or "prime" rate.

"DISPOSITION" is defined in Section 10.5.

"EBITDAR" means, for any period, the sum of Consolidated Net Income for such period, plus, to the extent deducted in determining such Consolidated Net Income, (i) Consolidated Interest Expense, (ii) federal, state, local and foreign income, value added and similar taxes, (iii) depreciation and amortization expense and (iv) Consolidated Rentals.

"ENVIRONMENTAL LAWS" means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"ERISA AFFILIATE" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

"EVENT OF DEFAULT" is defined in Section 11.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

"FIXED CHARGES" means, for any period, the sum of (i) Consolidated Rentals for such period under all leases other than Capital Leases and (ii) Consolidated Interest Expense for such period.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States of America.

Schedule B

"GOVERNMENTAL AUTHORITY" means

(a) the government of

(i) the United States of America or any state or other political subdivision thereof, or

(ii) any jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"GUARANTIES" is defined in Section 1.1.

"GUARANTY" means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

"HAZARDOUS MATERIAL" means any and all pollutants, toxic or hazardous wastes or any other substances that might pose a hazard to health or safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage,

Schedule B

handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage, or filtration of which is or shall be restricted, prohibited or penalized by any applicable law (including, without limitation, asbestos, urea formaldehyde foam insulation and polychlorinated biphenyls).

"HOLDER" means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1.

"INDEBTEDNESS" with respect to any Person means, at any time, without duplication,

(a) its liabilities for borrowed money and its redemption obligations in respect of mandatorily redeemable preferred stock;

(b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable and other accrued liabilities arising in the ordinary course of business, but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) all liabilities appearing on its balance sheet in accordance with GAAP in respect of Capital Leases;

(d) all liabilities for borrowed money secured by any Lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities); and

(e) any Guaranty of such Person with respect to liabilities of a type described in any of clauses (a) through (d) hereof.

Indebtedness of any Person shall include all obligations of such Person of the character described in clauses (a) through (e) to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is deemed to be extinguished under GAAP.

"INSTITUTIONAL INVESTOR" means (a) any original purchaser of a Note and (b) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

"INTERCREDITOR AGREEMENT" is defined in Section 4.12.

"LIEN" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

Schedule B

"MAKE-WHOLE AMOUNT" is defined in Section 8.6.

"MATERIAL" means material in relation to the business, operations, affairs, financial condition, assets or properties of the Parent and its Restricted Subsidiaries, including the Company, taken as a whole.

"MATERIAL ADVERSE EFFECT" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Parent and its Restricted Subsidiaries, including the Company, taken as a whole, or (b) the ability of the Company to perform its obligations under this Agreement and the Notes, or (c) the ability of the Parent to perform its obligations under this Agreement and the Parent Guaranty, (d) the ability of any Subsidiary Guarantor to perform its obligations under the Subsidiary Guaranty, or (e) the validity or enforceability of this Agreement, the Notes, the Parent Guaranty or the Subsidiary Guaranty.

"MEMORANDUM" is defined in Section 5.3.

"MIGRATION" means the change of the jurisdiction of incorporation of the Parent from the State of Delaware to the State of Ohio in a transaction involving a statutory merger or similar plan of acquisition that, pursuant to Rule 145(a)(2) under the Securities Act, does not constitute a transaction subject to the provisions of Rule 145.

"MULTIEMPLOYER PLAN" means any Plan that is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"NEW YORK POTENTIAL TAX CLAIM" means the potential liability for taxes asserted by the New York State Department of Taxation and Finance against those Subsidiaries designated as Unrestricted Subsidiaries on Schedule 5.4 of this Agreement, as further described on Schedule B-1.

"NOTES" is defined in Section 1.1.

"OFFICER'S CERTIFICATE" means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

"OTHER PURCHASERS" is defined in Section 2.

"PARENT" means Consolidated Stores Corporation, a Delaware corporation, and its successor in the Migration.

PARENT GUARANTY" is defined in Section 1.1.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

Schedule B

"PERSON" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

"PLAN" means an "employee benefit plan" (as defined in section 3(3) of ERISA) that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

"PRIORITY DEBT" means, as of any date, the sum (without duplication) of (a) outstanding Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor (other than Indebtedness owed to the Company or another Restricted Subsidiary or Indebtedness of a Person that is not an Unrestricted Subsidiary outstanding at the time it becomes a Restricted Subsidiary) and (b) Indebtedness of the Company and any Restricted Subsidiary secured by Liens not otherwise permitted by Sections 10.4(a) through (i).

"PROPERTY" or "PROPERTIES" means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

"PURCHASER" means each purchaser listed in Schedule A.

"QPAM EXEMPTION" means Prohibited Transaction Class Exemption 84-14 issued by the United States Department of Labor.

"REQUIRED HOLDERS" means, at any time, the holders of more than 50% in principal amount of the Series 2001-A Notes at the time outstanding (exclusive of Series 2001-A Notes then owned by the Company or any of its Affiliates).

"RESPONSIBLE OFFICER" means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this agreement.

"RESTRICTED SUBSIDIARY" means the Company and any other Subsidiary (a) at least a majority of the voting securities of which are owned by the Parent and/or one or more Wholly Owned Restricted Subsidiaries and (b) that the Parent has not designated an Unrestricted Subsidiary.

"SECURITIES ACT" means the Securities Act of 1933, as amended from time to time.

"SENIOR DEBT" means any Indebtedness other than Subordinated Debt.

Schedule B

"SENIOR FINANCIAL OFFICER" means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

"SERIES 2001-A NOTES" is defined in Section 1.2.

"SERIES 2001-A, TRANCHE 1, NOTES" is defined in Section 1.2.

"SERIES 2001-A, TRANCHE 2, NOTES" is defined in Section 1.2.

"SERIES 2001-A, TRANCHE 3, NOTES" is defined in Section 1.2.

"SOURCE" is defined in Section 6.2

"SUBORDINATED DEBT" means any Indebtedness of the Company that by its terms is subordinate in right of payment to the Notes in a manner reasonably satisfactory to the holders of the Series 2001-A Notes.

"SUBSIDIARY" means, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership, limited liability company or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership, limited liability company or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Parent.

"SUBSIDIARY GUARANTOR" is defined in Section 1.1.

"SUBSIDIARY GUARANTY" is defined in Section 1.1.

"SUPPLEMENT" is defined in Section 1.1.

"THIS AGREEMENT" OR "THE AGREEMENT" is defined in Section

17.3.

"UNRESTRICTED SUBSIDIARY" means any Subsidiary of the Parent (other than the Company) so designated an Unrestricted Subsidiary by notice in writing given to the holders of the Notes.

"WHOLLY OWNED SUBSIDIARY" or "WHOLLY OWNED RESTRICTED SUBSIDIARY" mean, at any time, any Subsidiary, or Restricted Subsidiary, as the case may be, 100% of all of the equity interests (except directors' qualifying shares) and voting interests of which are owned by any one or more of the Parent and the Parent's other Wholly Owned Subsidiaries, including the Company, or Wholly Owned Restricted Subsidiaries, including

Schedule B

the Company, or Wholly Owned Restricted Subsidiaries, including the Company, as the case may be, at such time.

Schedule B

## SCHEDULE B-1

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## NEW YORK POTENTIAL TAX CLAIM

Fashion Barn, Inc., an Unrestricted Subsidiary, may be liable to the State of New York for gains tax arising from the resale of real estate in 1988. On or about June 29, 1995, an administrative law judge ruled that Fashion Barn, Inc. may be liable for \$493,417.20 in gains tax, plus applicable interest and penalties, if any. The administrative law judge further ruled that the State of New York could only collect this potential liability from Fashion Barn, Inc. and no other entity or person, including Barn Acquisition Corporation and the Company. Fashion Barn, Inc. currently has no assets. As of 3/23/01, the purported tax with interest and penalty is \$678,797. The Company is attempting to settle the dispute by offering the State of New York a partial payment.

Schedule B-1

SCHEDULE 4.9  
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## CHANGES IN CORPORATE STRUCTURE

Not Applicable

Schedule 4.9

SCHEDULE 5.3  
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## DISCLOSURE MATERIALS

Not Applicable

Schedule 5.3

## SCHEDULE 5.4

## RESTRICTED SUBSIDIARIES OF THE COMPANY &amp; OWNERSHIP OF SUBSIDIARY STOCK

Parent's Subsidiary or Affiliate	Domestic Jurisdiction	Owner(s) / Member(s)	Percent of Ownership	Directors / Managers	Executive Officers
Consolidated Stores Corporation	OH	Parent	81.27%	?	?
		TRQ, Inc.	18.73%		
Mac Frugal's Bargains - Close-outs, Inc.	DE	Parent	100%	?	?
TRQ, Inc.	IL	Parent	100%	?	?
Capital Retail Systems, Inc.	OH	Parent	100%	?	?
PNS Stores, Inc.	CA	Mac Frugal's Bargains - Close-outs, Inc.	100%	?	?
West Coast Liquidators, Inc.	CA	Mac Frugal's Bargains - Close-outs, Inc.	100%	?	?
C.S. Ross Company	OH	Company	100%	?	?
CSC Distribution, Inc.	AL	Company	100%	?	?
Closeout Distribution, Inc.	PA	Company	100%	?	?
Industrial Products of New England, Inc.	ME	Company	100%	?	?
Tool and Supply Company of New England, Inc.	DE	Company	100%	?	?
Midwestern Home Products, Inc.	DE	Company	100%	?	?
Consolidated Property Holdings, Inc.	NV	Company	100%	Albert J. Bell Charles W. Haubiel Jackie Smith John Brewer Charles Buckingham	Albert J. Bell, President L. Michael Watts, VP & Treasurer Jackie Smith, Asst. Secretary Charles W. Haubiel II, VP & Secr.
Great Basin LLC	DE	Company	100%	None (member managed)	?
Sonoran LLC	DE	Company	100%	None (member managed)	?
Sahara LLC	DE	Company	100%	None (member managed)	?

? = Directors for this entity are as follows:

MICHAEL J. POTTER

Albert J. Bell  
Charles W. Haubiel II

? = Executive Officers for this entity are as follows:

MICHAEL J. POTTER, CHAIRMAN & CEO

Albert J. Bell, Vice Chairman & CAO  
Kent Larsson, Executive VP  
Donald Mierzwa, Executive VP  
Brad A. Waite, Executive VP  
Mark D. Shapiro, Senior VP and CFO  
Joe R. Cooper, VP and Treasurer  
Charles W. Haubiel II, VP, General  
Counsel & Secretary

UNRESTRICTED SUBSIDIARIES OF THE COMPANY & OWNERSHIP OF UNRESTRICTED SUBSIDIARY  
STOCK

Parent's Subsidiary or Affiliate	Domestic Jurisdiction	Owner(s) / Member(s)	Percent of Ownership	Directors / Managers	Executive Officers
Midwestern Home Products Company, Ltd.	OH	Midwestern Home Products, Inc.	100%	?	?
Barn Acquisition Corporation	DE	Industrial Products of New England, Inc.	100%	?	?
SS Investments Corporation	DE	Industrial Products of New England, Inc.	100%	?	?
Fashion Barn, Inc.	NY	Barn Acquisition Corporation	100%	?	?
Fashion Barn of New Jersey, Inc.	NJ	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Barn of Florida, Inc.	FL	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Barn of Indiana, Inc.	IN	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Barn of Pennsylvania, Inc.	PA	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Barn of Oklahoma, Inc.	OK	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Barn of Texas, Inc.	TX	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Barn of Ohio, Inc.	OH	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Barn of Vermont, Inc.	VT	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Barn of Virginia, Inc.	VA	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Barn of South Carolina, Inc.	SC	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Barn of North Carolina, Inc.	NC	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Barn of West Virginia, Inc.	WV	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Barn of Missouri, Inc.	MO	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Barn of Georgia, Inc.	GA	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Outlets Corp.	NY	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Bonanza, Inc.	NY	Fashion Barn, Inc., a New York corp.	100%	?	?
Rogers Fashion Industries, Inc.	NY	Fashion Barn, Inc., a New York corp.	100%	?	?
Rogers Fashion Industries, Inc.	NJ	Fashion Barn, Inc., a New York corp.	100%	?	?
Saddle Brook Distribution, Inc.	NY	Fashion Barn, Inc., a New York corp.	100%	?	?
Saddle Brook Distribution, Inc.	NJ	Fashion Barn, Inc., a New York corp.	100%	?	?
DTS, Inc.	NY	Fashion Barn, Inc., a New York corp.	100%	?	?
DTS, Inc.	TN	Fashion Barn, Inc., a New York corp.	100%	?	?
Fashion Barn, Inc.	MA	Fashion Barn, Inc., a New York corp.	100%	?	?

? = Directors for this entity are as follows:    ? = Executive Officers for this entity are as follows:

Michael J. Potter	Michael J. Potter, Chairman & CEO	Albert J. Bell, Vice Chairman & CAO
Albert J. Bell	Kent Larsson, Executive VP	Donald Mierzwa, Executive VP
Charles W. Haubiel II	Brad A. Waite, Executive VP	Mark D. Shapiro, Senior VP and CFO
	Joe R. Cooper, VP and Treasurer	
	Charles W. Haubiel II, VP, General Counsel & Secretary	

## Schedule 5.5

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## FINANCIAL STATEMENTS

- - Income Statement Summary and Discussion, as contained in the Memorandum dated April 2001.
- - Balance Sheet Summary and Discussion, as contained in the Memorandum dated April 2001.
- - Cash Flow Summary and Discussion, as contained in the Memorandum dated April 2001.
- - Calculation of Compliance with Proposed Financial Covenants, as contained in the Memorandum dated April 2001.
- - Annual Report for fiscal 2000.
- - 10-K for fiscal year ended January 29, 2000.
- - Earnings Press Release for fiscal quarter ended February 3, 2001.
- - Annual Financial Reports for fiscal years 1996-1999.

Schedule 5.5

SCHEDULE 5.8  
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## CERTAIN LITIGATION

Not Applicable

Schedule 5.8

SCHEDULE 5.11  
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LICENSES, PERMITS, ETC.

Not Applicable

Schedule 5.11

## SCHEDULE 5.14

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## USE OF PROCEEDS

Proceeds of the sale of the Series 2001-A Notes will be used to repay the Company's existing Indebtedness under the existing credit agreement, dated May 15, 1998, as amended, with PNC Bank National Association as Arranger and Documentation Agent. Said Indebtedness is expected to be approximately \$327,000,000 at Closing.

Schedule 5.14

## SCHEDULE 5.15

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## EXISTING INDEBTEDNESS

As of February 3, 2001, the Company's Indebtedness under the existing credit agreement, dated May 15, 1998, as amended, with PNC Bank National Association as Arranger and Documentation Agent was approximately \$268,000,000. Said Indebtedness is expected to be approximately \$327,000,000 at Closing.

Schedule 5.15

SCHEDULE 10.4  
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## EXISTING LIENS

Not Applicable

Schedule 10.4

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## [FORM OF SENIOR NOTE]

## CONSOLIDATED STORES CORPORATION

[\_\_\_\_]% SENIOR NOTE, SERIES [\_\_\_\_], DUE [\_\_\_\_\_, \_\_\_\_]

No. [\_\_\_\_\_] [Date]  
 \$[\_\_\_\_\_] PPN[\_\_\_\_\_]

FOR VALUE RECEIVED, the undersigned, CONSOLIDATED STORES CORPORATION (herein called the "Company"), a corporation organized and existing under the laws of the State of Ohio, promises to pay to [ ], or registered assigns, the principal sum of \$[ ] on [ ], [ ], with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of [\_\_\_\_]% per annum from the date hereof, payable semiannually, on [\_\_\_\_] [\_\_\_\_] and [\_\_\_\_][\_\_\_\_] in each year, commencing with the [\_\_\_\_] [\_\_\_\_] or [\_\_\_\_] [\_\_\_\_] next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) [\_\_\_\_]% or (ii) 2% over the rate of interest publicly announced by Bank of America from time to time in Chicago, Illinois as its "base" or "prime" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America in Chicago, Illinois or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to a Note Purchase Agreement dated as of May 1, 2001 [and a Supplement thereto dated as of [ ], [ ]](as from time to time further amended and supplemented, the "Note Purchase Agreement"), among Consolidated Stores Corporation, a Delaware corporation (the "Parent"), the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a

Exhibit 1.1(a)

written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

[The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement.] This Note is [also] subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreements but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

Payment of the principal of, and interest and Make-Whole Amount, if any, on this Note, and all other amounts due under the Note Purchase Agreement, is guaranteed pursuant to the terms of Guaranties dated as of May 1, 2001 of the Parent and certain Subsidiaries of the Company(1).

This Note will be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of Illinois excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

CONSOLIDATED STORES CORPORATION

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

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(1) This paragraph must be modified at such time as there are no Subsidiary Guarantors.

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## PARENT GUARANTY

THIS GUARANTY (this "Guaranty") dated as of May 1, 2001 is made by CONSOLIDATED STORES CORPORATION, a Delaware corporation (the "Guarantor"), in favor of the holders from time to time of the Notes hereinafter referred to, including each purchaser named in the Note Purchase Agreement hereinafter referred to, and their respective successors and assigns (collectively, the "Holders" and each individually, a "Holder").

## W I T N E S S E T H:

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WHEREAS, CONSOLIDATED STORES CORPORATION, an Ohio corporation (the "Company"), the Guarantor and the initial Holders have entered into a Note Purchase Agreement dated as of May 1, 2001 (the Note Purchase Agreement as amended, supplemented, restated or otherwise modified from time to time in accordance with its terms and in effect, the "Note Purchase Agreement");

WHEREAS, the Note Purchase Agreement contemplates the issuance by the Company of up to \$300,000,000 aggregate principal amount of Notes (as defined in the Note Purchase Agreement) in series;

WHEREAS, the Company is a Wholly Owned Subsidiary of the Guarantor and the Guarantor will derive substantial benefits from the purchase by the Holders of the Company's Notes;

WHEREAS, it is a condition precedent to the obligation of the Holders to purchase the Notes that the Guarantor shall have executed and delivered this Guaranty to the Holders and it is and will be a condition to the sale of subsequent series of the Notes that this Guaranty run in favor of the holders of such subsequent series of Notes; and

WHEREAS, the Guarantor desires to execute and deliver this Guaranty to satisfy the conditions described in the preceding paragraph;

NOW, THEREFORE, in consideration of the premises and other benefits to the Guarantor, and of the purchase of the Company's Notes by the Holders, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Guarantor makes this Guaranty as follows:

SECTION 1. DEFINITIONS. Any capitalized terms not otherwise herein defined shall have the meanings ascribed to them in the Note Purchase Agreement.

Exhibit 1.1(b)

SECTION 2. GUARANTY. The Guarantor unconditionally and irrevocably guarantees to the Holders the due, prompt and complete payment by the Company of the principal of, Make-Whole Amount, if any, and interest on, and each other amount due under, the Notes or the Note Purchase Agreement, when and as the same shall become due and payable (whether at stated maturity or by required or optional prepayment or by declaration or otherwise) in accordance with the terms of the Notes and the Note Purchase Agreement (the Notes and the Note Purchase Agreement being sometimes hereinafter collectively referred to as the "Note Documents" and the amounts payable by the Company under the Note Documents, and all other monetary obligations of the Company thereunder, being sometimes collectively hereinafter referred to as the "Obligations"). This Guaranty is a guaranty of payment and not just of collectibility and is in no way conditioned or contingent upon any attempt to collect from the Company or upon any other event, contingency or circumstance whatsoever. If for any reason whatsoever the Company shall fail or be unable duly, punctually and fully to pay such amounts as and when the same shall become due and payable, the Guarantor, without demand, presentment, protest or notice of any kind, will forthwith pay or cause to be paid such amounts to the Holders under the terms of such Note Documents, in lawful money of the United States, at the place specified in the Note Purchase Agreement, or perform or comply with the same or cause the same to be performed or complied with, together with interest (to the extent provided for under such Note Documents) on any amount due and owing from the Company. The Guarantor, promptly after demand, will pay to the Holders the reasonable costs and expenses of collecting such amounts or otherwise enforcing this Guaranty, including, without limitation, the reasonable fees and expenses of counsel.

SECTION 3. GUARANTOR'S OBLIGATIONS UNCONDITIONAL. The obligations of the Guarantor under this Guaranty shall be primary, absolute and unconditional obligations of the Guarantor, shall not be subject to any counterclaim, set-off, deduction, diminution, abatement, recoupment, suspension, deferment, reduction or defense based upon any claim the Guarantor or any other person may have against the Company or any other person, and to the full extent permitted by applicable law shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by, any circumstance or condition whatsoever (whether or not the Guarantor or the Company shall have any knowledge or notice thereof), including:

(a) any termination, amendment or modification of or deletion from or addition or supplement to or other change in any of the Note Documents or any other instrument or agreement applicable to any of the parties to any of the Note Documents;

(b) any furnishing or acceptance of any security, or any release of any security, for the Obligations, or the failure of any security or the failure of any person to perfect any interest in any collateral;

(c) any failure, omission or delay on the part of the Company to conform or comply with any term of any of the Note Documents or any other instrument or agreement referred to in paragraph (a) above, including, without limitation, failure to give notice to the Guarantor of the occurrence of a "Default" or an "Event of Default" under any Note Document;

(d) any waiver of the payment, performance or observance of any of the obligations, conditions, covenants or agreements contained in any Note Document, or any other waiver, consent, extension, indulgence, compromise, settlement, release or other action or inaction under or in respect of any of the Note Documents or any other instrument or agreement referred to in paragraph (a) above or any obligation or liability of the Company, or any exercise or non-exercise of any right, remedy, power or privilege under or in respect of any such instrument or agreement or any such obligation or liability;

(e) any failure, omission or delay on the part of any of the Holders to enforce, assert or exercise any right, power or remedy conferred on such Holder in this Guaranty, or any such failure, omission or delay on the part of such Holder in connection with any Note Document, or any other action on the part of such Holder;

(f) any voluntary or involuntary bankruptcy, insolvency, reorganization, arrangement, readjustment, assignment for the benefit of creditors, composition, receivership, conservatorship, custodianship, liquidation, marshaling of assets and liabilities or similar proceedings with respect to the Company, the Guarantor or to any other person or any of their respective properties or creditors, or any action taken by any trustee or receiver or by any court in any such proceeding;

(g) any discharge, termination, cancellation, frustration, irregularity, invalidity or unenforceability, in whole or in part, of any of the Note Documents or any other agreement or instrument referred to in paragraph (a) above or any term hereof;

(h) any merger or consolidation of the Company or the Guarantor into or with any other corporation, or any sale, lease or transfer of any of the assets of the Company or the Guarantor to any other person;

(i) any change in the ownership of any shares of capital stock of the Company or any change in the corporate relationship between the Company and the Guarantor, or any termination of such relationship;

(j) any release or discharge, by operation of law, of the Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Guaranty; or

(k) any other occurrence, circumstance, happening or event whatsoever, whether similar or dissimilar to the foregoing, whether foreseen or unforeseen, and any other circumstance which might otherwise constitute a legal or equitable defense or discharge of the liabilities of a guarantor or surety or which might otherwise limit recourse against the Guarantor.

Notwithstanding any other provision contained in this Guaranty, the Guarantor's liability with respect to the principal amount of the Notes shall be no greater than the liability of the Company with respect thereto.

SECTION 4. FULL RECOURSE OBLIGATIONS. The obligations of the Guarantor set forth herein constitute the full recourse obligations of the Guarantor enforceable against it to the full extent of all its assets and properties.

SECTION 5. WAIVER. The Guarantor unconditionally waives, to the extent permitted by applicable law, (a) notice of any of the matters referred to in Section 3, (b) notice to the Guarantor of the incurrance of any of the Obligations, notice to the Guarantor or the Company of any breach or default by the Company with respect to any of the Obligations or any other notice that may be required, by statute, rule of law or otherwise, to preserve any rights of the Holders against the Guarantor, (c) presentment to or demand of payment from the Company or the Guarantor with respect to any amount due under any Note Document or protest for nonpayment or dishonor, (d) any right to the enforcement, assertion or exercise by any of the Holders of any right, power, privilege or remedy conferred in the Note Purchase Agreement or any other Note Document or otherwise, (e) any requirement of diligence on the part of any of the Holders, (f) any requirement to exhaust any remedies or to mitigate the damages resulting from any default under any Note Document, (g) any notice of any sale, transfer or other disposition by any of the Holders of any right, title to or interest in the Note Purchase Agreement or in any other Note Document and (h) any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge, release or defense of a guarantor or surety or which might otherwise limit recourse against the Guarantor.

SECTION 6. SUBROGATION, CONTRIBUTION, REIMBURSEMENT OR INDEMNITY. Until one year and one day after all Obligations have been indefeasibly paid in full, the Guarantor agrees not to take any action pursuant to any rights which may have arisen in connection with this Guaranty to be subrogated to any of the rights (whether contractual, under the United States Bankruptcy Code, as amended, including section 509 thereof, under common law or otherwise) of any of the Holders against the Company or against any collateral security or guaranty or right of offset held by the Holders for the payment of the Obligations. Until one year and one day after all Obligations have been indefeasibly paid in full, the Guarantor agrees not to take any action pursuant to any contractual, common law, statutory or other rights of reimbursement, contribution, exoneration or indemnity (or any similar right) from or against the Company which may have arisen in connection with this Guaranty. So long as the Obligations remain, if any amount shall be paid by or on behalf of the Company to the Guarantor on account of any of the rights waived in this paragraph, such amount shall be held by the Guarantor in trust, segregated from other funds of the Guarantor, and shall, forthwith upon receipt by the Guarantor, be turned over to the Holders (duly endorsed by the Guarantor to the Holders, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Holders may determine. The provisions of this paragraph shall survive the term of this Guaranty and the payment in full of the Obligations.

SECTION 7. EFFECT OF BANKRUPTCY PROCEEDINGS, ETC. This Guaranty shall continue to be effective or be automatically reinstated, as the case may be, if at any time payment, in whole or in part, of any of the sums due to any of the Holders pursuant to the terms of the Note Purchase Agreement or any other Note Document is rescinded or must otherwise be restored or returned by the Holder upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or any other person, or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Company or other person or any substantial part of its property, or otherwise, all as though such payment had not been made. If an event permitting the acceleration of the maturity of the principal amount of the Notes shall at any time have occurred and be continuing, and such acceleration shall at such time be prevented by reason of the pendency against the Company or any other person of a case or proceeding under a bankruptcy or insolvency law, the Guarantor agrees that, for purposes of this Guaranty and its obligations hereunder, the maturity of the principal amount of the Notes and all other Obligations shall be deemed to have been accelerated with the same effect as if any Holder had accelerated the same in accordance with the terms of the Note Purchase Agreement or other applicable Note Document, and the Guarantor shall forthwith pay such principal amount, Make-Whole Amount, if any, and interest thereon and any other amounts guaranteed hereunder without further notice or demand.

SECTION 8. TERM OF AGREEMENT. This Guaranty and all guaranties, covenants and agreements of the Guarantor contained herein shall continue in full force and effect and shall not be discharged until such time as all of the Obligations shall be paid and performed in full and all of the agreements of the Guarantor hereunder shall be duly paid and performed in full.

SECTION 9. NOTICES. All notices under the terms and provisions hereof shall be in writing, and shall be delivered or sent by telex or telecopy or mailed by first-class mail, postage prepaid, addressed to the Guarantor or any Holder at the address set forth in the Note Purchase Agreement, or in each case at such other address as the Guarantor or any Holder shall from time to time designate in writing to the other parties. Any notice so addressed shall be deemed to be given when actually received.

SECTION 10. SURVIVAL. All warranties, representations and covenants made by the Guarantor herein or in any certificate or other instrument delivered by it or on its behalf hereunder shall be considered to have been relied upon by the Holders and shall survive the execution and delivery of this Guaranty, regardless of any investigation made by any of the Holders. All statements in any such certificate or other instrument shall constitute warranties and representations by such Guarantor hereunder.

SECTION 11. SUBMISSION TO JURISDICTION. The Guarantor irrevocably submits to the jurisdiction of the courts of the State of Illinois and of the courts of the United States of America having jurisdiction in the State of Illinois for the purpose of any legal action or proceeding in any such court with respect to, or arising out of, this Guaranty, the Note Purchase Agreement or the Notes. The Guarantor consents to process being served in any suit, action or proceeding by mailing a copy thereof by registered or certified mail, postage prepaid, return receipt requested, to its address specified in or designated pursuant to the Note Purchase Agreement. The

Guarantor agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by law, be taken and held to be valid personal service upon and personal delivery to it.

SECTION 12. MISCELLANEOUS. Any provision of this Guaranty that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Guarantor hereby waives any provision of law that renders any provisions hereof prohibited or unenforceable in any respect. The terms of this Guaranty shall be binding upon, and inure to the benefit of, the Guarantor and the Holders and their respective successors and assigns. No term or provision of this Guaranty may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Guarantor and the Holders. The section and paragraph headings in this Guaranty and the table of contents are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof, and all references herein to numbered sections, unless otherwise indicated, are to sections in this Guaranty. This Guaranty shall in all respects be governed by, and construed in accordance with, the laws of the State of Illinois, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be duly executed as of the day and year first above written.

CONSOLIDATED STORES CORPORATION,  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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Exhibit 1.1(b)

## EXHIBIT 1.1(c)

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## SUBSIDIARY GUARANTY

THIS GUARANTY (this "Guaranty") dated as of May 1, 2001 is made by the undersigned (each, a "Guarantor"), in favor of the holders from time to time of the Notes hereinafter referred to, including each purchaser named in the Note Purchase Agreement hereinafter referred to, and their respective successors and assigns (collectively, the "Holders" and each individually, a "Holder").

## W I T N E S S E T H:

- - - - -

WHEREAS, CONSOLIDATED STORES CORPORATION, an Ohio corporation (the "Company"), Consolidated Stores Corporation, a Delaware corporation and the parent of the Company (the "Parent"), and the initial Holders have entered into a Note Purchase Agreement dated as of May 1, 2001 (the Note Purchase Agreement as amended, supplemented, restated or otherwise modified from time to time in accordance with its terms and in effect, the "Note Purchase Agreement");

WHEREAS, the Note Purchase Agreement contemplates the issuance by the Company of up to \$300,000,000 aggregate principal amount of Notes (as defined in the Note Purchase Agreement) in series;

WHEREAS, each Guarantor is a Subsidiary of the Parent and will derive substantial benefits from the purchase by the Holders of the Company's Notes;

WHEREAS, it is a condition precedent to the obligation of the Holders to purchase the Notes that each Guarantor shall have executed and delivered this Guaranty to the Holders and it is and will be a condition to the sale of subsequent series of the Notes that this Guaranty run in favor of the holders of such subsequent series of Notes; and

WHEREAS, each Guarantor desires to execute and deliver this Guaranty to satisfy the conditions described in the preceding paragraph;

NOW, THEREFORE, in consideration of the premises and other benefits to the Guarantors, and of the purchase of the Company's Notes by the Holders, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, each Guarantor makes this Guaranty as follows:

SECTION 1. DEFINITIONS. Any capitalized terms not otherwise herein defined shall have the meanings ascribed to them in the Note Purchase Agreement.

Exhibit 1.1(c)

SECTION 2. GUARANTY. Each Guarantor unconditionally and irrevocably guarantees to the Holders the due, prompt and complete payment by the Company of the principal of, Make-Whole Amount, if any, and interest on, and each other amount due under, the Notes or the Note Purchase Agreement, when and as the same shall become due and payable (whether at stated maturity or by required or optional prepayment or by declaration or otherwise) in accordance with the terms of the Notes and the Note Purchase Agreement (the Notes and the Note Purchase Agreement being sometimes hereinafter collectively referred to as the "Note Documents" and the amounts payable by the Company under the Note Documents, and all other monetary obligations of the Company thereunder, being sometimes collectively hereinafter referred to as the "Obligations"). This Guaranty is a guaranty of payment and not just of collectibility and is in no way conditioned or contingent upon any attempt to collect from the Company or upon any other event, contingency or circumstance whatsoever. If for any reason whatsoever the Company shall fail or be unable duly, punctually and fully to pay such amounts as and when the same shall become due and payable, each Guarantor, without demand, presentment, protest or notice of any kind, will forthwith pay or cause to be paid such amounts to the Holders under the terms of such Note Documents, in lawful money of the United States, at the place specified in the Note Purchase Agreement, or perform or comply with the same or cause the same to be performed or complied with, together with interest (to the extent provided for under such Note Documents) on any amount due and owing from the Company. Each Guarantor, promptly after demand, will pay to the Holders the reasonable costs and expenses of collecting such amounts or otherwise enforcing this Guaranty, including, without limitation, the reasonable fees and expenses of counsel. Notwithstanding the foregoing, the right of recovery against each Guarantor under this Guaranty is limited to the extent it is judicially determined with respect to any Guarantor that entering into this Guaranty would violate section 548 of the United States Bankruptcy Code or any comparable provisions of any state law, in which case such Guarantor shall be liable under this Guaranty only for amounts aggregating up to the largest amount that would not render such Guarantor's obligations hereunder subject to avoidance under section 548 of the United States Bankruptcy Code or any comparable provisions of any state law.

SECTION 3. GUARANTOR'S OBLIGATIONS UNCONDITIONAL. The obligations of each Guarantor under this Guaranty shall be primary, absolute and unconditional obligations of each Guarantor, shall not be subject to any counterclaim, set-off, deduction, diminution, abatement, recoupment, suspension, deferment, reduction or defense based upon any claim each Guarantor or any other person may have against the Company or any other person, and to the full extent permitted by applicable law shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by, any circumstance or condition whatsoever (whether or not each Guarantor or the Company shall have any knowledge or notice thereof), including:

(a) any termination, amendment or modification of or deletion from or addition or supplement to or other change in any of the Note Documents or any other instrument or agreement applicable to any of the parties to any of the Note Documents;

(b) any furnishing or acceptance of any security, or any release of any security, for the Obligations, or the failure of any security or the failure of any person to perfect any interest in any collateral;

(c) any failure, omission or delay on the part of the Company to conform or comply with any term of any of the Note Documents or any other instrument or agreement referred to in paragraph (a) above, including, without limitation, failure to give notice to any Guarantor of the occurrence of a "Default" or an "Event of Default" under any Note Document;

(d) any waiver of the payment, performance or observance of any of the obligations, conditions, covenants or agreements contained in any Note Document, or any other waiver, consent, extension, indulgence, compromise, settlement, release or other action or inaction under or in respect of any of the Note Documents or any other instrument or agreement referred to in paragraph (a) above or any obligation or liability of the Company, or any exercise or non-exercise of any right, remedy, power or privilege under or in respect of any such instrument or agreement or any such obligation or liability;

(e) any failure, omission or delay on the part of any of the Holders to enforce, assert or exercise any right, power or remedy conferred on such Holder in this Guaranty, or any such failure, omission or delay on the part of such Holder in connection with any Note Document, or any other action on the part of such Holder;

(f) any voluntary or involuntary bankruptcy, insolvency, reorganization, arrangement, readjustment, assignment for the benefit of creditors, composition, receivership, conservatorship, custodianship, liquidation, marshaling of assets and liabilities or similar proceedings with respect to the Company, any Guarantor or to any other person or any of their respective properties or creditors, or any action taken by any trustee or receiver or by any court in any such proceeding;

(g) any discharge, termination, cancellation, frustration, irregularity, invalidity or unenforceability, in whole or in part, of any of the Note Documents or any other agreement or instrument referred to in paragraph (a) above or any term hereof;

(h) any merger or consolidation of the Company or any Guarantor into or with any other corporation, or any sale, lease or transfer of any of the assets of the Company or any Guarantor to any other person;

(i) any change in the ownership of any shares of capital stock of the Company or any change in the corporate relationship between the Company and any Guarantor, or any termination of such relationship;

(j) any release or discharge, by operation of law, of any Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Guaranty; or

(k) any other occurrence, circumstance, happening or event whatsoever, whether similar or dissimilar to the foregoing, whether foreseen or unforeseen, and any other circumstance which might otherwise constitute a legal or equitable defense or discharge of the liabilities of a guarantor or surety or which might otherwise limit recourse against any Guarantor.

Notwithstanding any other provision contained in this Guaranty, each Guarantor's liability with respect to the principal amount of the Notes shall be no greater than the liability of the Company with respect thereto.

SECTION 4. FULL RECOURSE OBLIGATIONS. The obligations of each Guarantor set forth herein constitute the full recourse obligations of such Guarantor enforceable against it to the full extent of all its assets and properties.

SECTION 5. WAIVER. Each Guarantor unconditionally waives, to the extent permitted by applicable law, (a) notice of any of the matters referred to in Section 3, (b) notice to such Guarantor of the incurrence of any of the Obligations, notice to such Guarantor or the Company of any breach or default by such Company with respect to any of the Obligations or any other notice that may be required, by statute, rule of law or otherwise, to preserve any rights of the Holders against such Guarantor, (c) presentment to or demand of payment from the Company or such Guarantor with respect to any amount due under any Note Document or protest for nonpayment or dishonor, (d) any right to the enforcement, assertion or exercise by any of the Holders of any right, power, privilege or remedy conferred in the Note Purchase Agreement or any other Note Document or otherwise, (e) any requirement of diligence on the part of any of the Holders, (f) any requirement to exhaust any remedies or to mitigate the damages resulting from any default under any Note Document, (g) any notice of any sale, transfer or other disposition by any of the Holders of any right, title to or interest in the Note Purchase Agreement or in any other Note Document and (h) any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge, release or defense of a guarantor or surety or which might otherwise limit recourse against such Guarantor.

SECTION 6. SUBROGATION, CONTRIBUTION, REIMBURSEMENT OR INDEMNITY. Until one year and one day after all Obligations have been indefeasibly paid in full, each Guarantor agrees not to take any action pursuant to any rights which may have arisen in connection with this Guaranty to be subrogated to any of the rights (whether contractual, under the United States Bankruptcy Code, as amended, including section 509 thereof, under common law or otherwise) of any of the Holders against the Company or against any collateral security or guaranty or right of offset held by the Holders for the payment of the Obligations. Until one year and one day after all Obligations have been indefeasibly paid in full, each Guarantor agrees not to take any action pursuant to any contractual, common law, statutory or other rights of reimbursement, contribution, exoneration or indemnity (or any similar right) from or against the Company which may have arisen in connection with this Guaranty. So long as the Obligations remain, if any amount shall be paid by or on behalf of the Company to any Guarantor on account of any of the rights waived in this paragraph, such amount shall be held by such Guarantor in trust, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be

turned over to the Holders (duly endorsed by such Guarantor to the Holders, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Holders may determine. The provisions of this paragraph shall survive the term of this Guaranty and the payment in full of the Obligations.

SECTION 7. EFFECT OF BANKRUPTCY PROCEEDINGS, ETC. This Guaranty shall continue to be effective or be automatically reinstated, as the case may be, if at any time payment, in whole or in part, of any of the sums due to any of the Holders pursuant to the terms of the Note Purchase Agreement or any other Note Document is rescinded or must otherwise be restored or returned by such Holder upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or any other person, or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Company or other person or any substantial part of its property, or otherwise, all as though such payment had not been made. If an event permitting the acceleration of the maturity of the principal amount of the Notes shall at any time have occurred and be continuing, and such acceleration shall at such time be prevented by reason of the pendency against the Company or any other person of a case or proceeding under a bankruptcy or insolvency law, each Guarantor agrees that, for purposes of this Guaranty and its obligations hereunder, the maturity of the principal amount of the Notes and all other Obligations shall be deemed to have been accelerated with the same effect as if any Holder had accelerated the same in accordance with the terms of the Note Purchase Agreement or other applicable Note Document, and such Guarantor shall forthwith pay such principal amount, Make-Whole Amount, if any, and interest thereon and any other amounts guaranteed hereunder without further notice or demand.

SECTION 8. TERM OF AGREEMENT. This Guaranty and all guaranties, covenants and agreements of each Guarantor contained herein shall continue in full force and effect and shall not be discharged until such time as all of the Obligations shall be paid and performed in full and all of the agreements of such Guarantor hereunder shall be duly paid and performed in full.

SECTION 9. REPRESENTATIONS AND WARRANTIES. Each Guarantor represents and warrants to each Holder that:

(a) such Guarantor is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has the corporate power and authority to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged;

(b) such Guarantor has the corporate power and authority and the legal right to execute and deliver, and to perform its obligations under, this Guaranty, and has taken all necessary corporate action to authorize its execution, delivery and performance of this Guaranty;

(c) this Guaranty constitutes a legal, valid and binding obligation of such Guarantor enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting

the enforcement of creditors' rights generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(d) the execution, delivery and performance of this Guaranty will not violate any provision of any material requirement of law or material contractual obligation of such Guarantor and will not result in or require the creation or imposition of any Lien on any of the properties, revenues or assets of such Guarantor pursuant to the provisions of any material contractual obligation of such Guarantor or any requirement of law;

(e) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or governmental authority is required in connection with the execution, delivery, performance, validity or enforceability of this Guaranty;

(f) no litigation, investigation or proceeding of or before any arbitrator or governmental authority is pending or, to the knowledge of such Guarantor, threatened by or against such Guarantor or any of its properties or revenues (i) with respect to this Guaranty or any of the transactions contemplated hereby or (ii) which could reasonably be expected to have a material adverse effect upon the business, operations or financial condition of such Guarantor and its Subsidiaries taken as a whole;

(g) the execution, delivery and performance of this Guaranty will not violate any provision of any order, judgment, writ, award or decree of any court, arbitrator or Governmental Authority, domestic or foreign, or of the charter or by-laws of such Guarantor or of any securities issued by such Guarantor; and

(h) such Guarantor (after giving due consideration to any rights of contribution) has received fair consideration and reasonably equivalent value for the incurrence of its obligations hereunder or as contemplated hereby and after giving effect to the transactions contemplated herein, (i) the fair value of the assets of such Guarantor (both at fair valuation and at present fair saleable value) exceeds its liabilities, (ii) such Guarantor is able to and expects to be able to pay its debts as they mature, and (iii) such Guarantor has capital sufficient to carry on its business as conducted and as proposed to be conducted.

SECTION 10. NOTICES. All notices under the terms and provisions hereof shall be in writing, and shall be delivered or sent by telex or telecopy or mailed by first-class mail, postage prepaid, addressed (a) if to any Holder at the address set forth in, the Note Purchase Agreement or (b) if to a Guarantor, in care of the Company at the Company's address set forth in the Note Purchase Agreement, or in each case at such other address as the Company, any Holder or such Guarantor shall from time to time designate in writing to the other parties. Any notice so addressed shall be deemed to be given when actually received.

SECTION 11. SURVIVAL. All warranties, representations and covenants made by each Guarantor herein or in any certificate or other instrument delivered by it or on its behalf

hereunder shall be considered to have been relied upon by the Holders and shall survive the execution and delivery of this Guaranty, regardless of any investigation made by any of the Holders. All statements in any such certificate or other instrument shall constitute warranties and representations by such Guarantor hereunder.

SECTION 12. SUBMISSION TO JURISDICTION. Each Guarantor irrevocably submits to the jurisdiction of the courts of the State of Illinois and of the courts of the United States of America having jurisdiction in the State of Illinois for the purpose of any legal action or proceeding in any such court with respect to, or arising out of, this Guaranty, the Note Purchase Agreement or the Notes. Each Guarantor consents to process being served in any suit, action or proceeding by mailing a copy thereof by registered or certified mail, postage prepaid, return receipt requested, to the address of such Guarantor specified in or designated pursuant to the Note Purchase Agreement. Each Guarantor agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by law, be taken and held to be valid personal service upon and personal delivery to such Guarantor.

SECTION 13. MISCELLANEOUS. Any provision of this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, each Guarantor hereby waives any provision of law that renders any provisions hereof prohibited or unenforceable in any respect. The terms of this Guaranty shall be binding upon, and inure to the benefit of, each Guarantor and the Holders and their respective successors and assigns. No term or provision of this Guaranty may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by each Guarantor and the Holders. The section and paragraph headings in this Guaranty and the table of contents are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof, and all references herein to numbered sections, unless otherwise indicated, are to sections in this Guaranty. This Guaranty shall in all respects be governed by, and construed in accordance with, the laws of the State of Illinois, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be duly executed as of the day and year first above written.

[INSERT GUARANTOR SIGNATURE BLOCKS]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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Exhibit 1.1(c)

## FORM OF JOINDER TO SUBSIDIARY GUARANTY

The undersigned (the "Guarantor"), joins in the Subsidiary Guaranty dated as of May 1, 2001 from the Guarantors named therein in favor of the Purchasers, as defined therein, and agrees to be bound by all of the terms thereof and represents and warrants to the Purchasers that:

(a) the Guarantor is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has the corporate power and authority to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged;

(b) the Guarantor has the corporate power and authority and the legal right to execute and deliver, and to perform its obligations under, this Guaranty, and has taken all necessary corporate action to authorize its execution, delivery and performance of this Guaranty;

(c) this Guaranty constitutes a legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(d) the execution, delivery and performance of this Guaranty will not violate any provision of any material requirement of law or material contractual obligation of the Guarantor and will not result in or require the creation or imposition of any Lien on any of the properties, revenues or assets of the Guarantor pursuant to the provisions of any material contractual obligation of the Guarantor or any requirement of law;

(e) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or governmental authority is required in connection with the execution, delivery, performance, validity or enforceability of this Guaranty;

(f) no litigation, investigation or proceeding of or before any arbitrator or governmental authority is pending or, to the knowledge of the Guarantor, threatened by or against the Guarantor or any of its properties or revenues (i) with respect to this Guaranty or any of the transactions contemplated hereby or (ii) which could reasonably be expected to have a material adverse effect upon the business, operations or financial condition of the Guarantor and its Subsidiaries taken as a whole;

(g) the execution, delivery and performance of this Guaranty will not violate any provision of any order, judgment, writ, award or decree of any court, arbitrator or Governmental Authority, domestic or foreign, or of the charter or by-laws of the Guarantor or of any securities issued by the Guarantor; and

(h) the Guarantor (after giving due consideration to any rights of contribution) has received fair consideration and reasonably equivalent value for the incurrence of its obligations hereunder or as contemplated hereby and after giving effect to the transactions contemplated herein, (i) the fair value of the assets of the Guarantor (both at fair valuation and at present fair saleable value) exceeds its liabilities, (ii) the Guarantor is able to and expects to be able to pay its debts as they mature, and (iii) the Guarantor has capital sufficient to carry on its business as conducted and as proposed to be conducted.

Capitalized terms used but not defined herein have the meanings ascribed thereto in the Subsidiary Guaranty.

IN WITNESS WHEREOF, the undersigned has caused this Joinder to Subsidiary Guaranty to be duly executed as of \_\_\_\_\_, \_\_\_\_.

[Name of Guarantor]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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Exhibit 1.1(c)

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## [FORM OF SUPPLEMENT]

## SUPPLEMENT TO NOTE PURCHASE AGREEMENT

THIS SUPPLEMENT is entered into as of [ ], [ ] (this "Supplement") between CONSOLIDATED STORES CORPORATION, an Ohio corporation (the "Company"), CONSOLIDATED STORES CORPORATION, a Delaware corporation (the "Parent") and the Purchasers listed in the attached Schedule A (the "Purchasers").

## R E C I T A L S

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A. The Parent and the Company have entered into a Note Purchase Agreement dated as of May 1, 2001 with the purchasers listed in Schedule A thereto [and one or more supplements or amendments thereto] (as heretofore amended and supplemented, the "Note Purchase Agreement"); and

B. The Company desires to issue and sell, and the Purchasers desire to purchase, an additional series of Notes (as defined in the Note Purchase Agreement) pursuant to the Note Purchase Agreement and in accordance with the terms set forth below;

NOW, THEREFORE, the Parent, the Company and the Purchasers agree as follows:

1. AUTHORIZATION OF THE NEW SERIES OF NOTES. The Company has authorized the issue and sale of \$[ ] aggregate principal amount of Notes to be designated as its [\_\_]% Senior Notes, Series [ ], due [ ], [ ] (the "Series [ ] Notes", such term to include any such Notes issued in substitution therefor pursuant to Section 13 of the Note Purchase Agreement). The Series [ ] Notes shall be substantially in the form set out in Exhibit 1 to this Supplement, with such changes therefrom, if any, as may be approved by you and the Company.

2. SALE AND PURCHASE OF SERIES [ ] NOTES. Subject to the terms and conditions of this Supplement and the Note Purchase Agreement, the Company will issue and sell to each of the Purchasers, and the Purchasers will purchase from the Company, at the Closing provided for in Section 3, Series [ ] Notes in the principal amount specified opposite their respective names in the attached Schedule A at the purchase price of 100% of the principal amount thereof. The obligations of the Purchasers hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance by any other Purchaser hereunder.

Schedule A

3. CLOSING. The sale and purchase of the Series [ ] Notes to be purchased by the Purchasers shall occur at the offices of Gardner, Carton & Douglas, Quaker Tower, Suite 3400, 321 North Clark Street, Chicago, Illinois 60610 at 9:00 a.m., Chicago time, at a closing (the "Closing") on [ ], [ ] or on such other Business Day thereafter on or prior to [ ], [ ] as may be agreed upon by the Company and the Purchasers. At the Closing the Company will deliver to each Purchaser the Series [ ] Notes to be purchased by it in the form of a single Note (or such greater number of Series [ ] Notes in denominations of at least \$500,000 as such Purchaser may request) dated the date of the Closing and registered in its name (or in the name of its nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company to account number [ ] at [ ] Bank, [Insert Bank address, ABA number for wire transfers, and any other relevant wire transfer information]. If at the Closing the Company shall fail to tender such Series [ ] Notes to a Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 of the Note Purchase Agreement, as modified or expanded by Section 4 hereof, shall not have been fulfilled to such Purchaser's satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights it may have by reason of such failure or such nonfulfillment.

4. CONDITIONS TO CLOSING. Each Purchaser's obligation to purchase and pay for the Series [ ] Notes to be sold to it at the Closing is subject to the fulfillment to its satisfaction, prior to or at the Closing, of the conditions set forth in Section 4 of the Note Purchase Agreement, as hereafter modified, and to the following additional conditions:

[Set forth any modifications and additional conditions.]

5. REPRESENTATIONS AND WARRANTIES OF THE PARENT AND THE COMPANY. Each of the Parent and the Company represents and warrants to the Purchasers that each of the representations and warranties contained in Section 5 of the Note Purchase Agreement is true and correct as of the date hereof (i) except that all references to "Purchaser" and "you" therein shall be deemed to refer to the Purchasers hereunder, all references to "this Agreement" shall be deemed to refer to the Note Purchase Agreement as supplemented by this Supplement, and all references to "Notes" therein shall be deemed to include the Series [ ] Notes, and (ii) except for changes to such representations and warranties or the Schedules referred to therein, which changes are set forth in the attached Schedule 5.

6. REPRESENTATIONS OF THE PURCHASERS. Each Purchaser confirms to the Parent and the Company that the representations set forth in Section 6 of the Note Purchase Agreement are true and correct as to such Purchaser.

7. MANDATORY PREPAYMENT OF THE SERIES [ ] NOTES. [The Series [ ] Notes are not subject to mandatory prepayment by the Company.] [On [ ], [ ] and on each [ ] thereafter to and including [ ], [ ] the Company will prepay \$[ ] principal amount (or such lesser principal amount as shall then be outstanding) of the Series [ ] Notes at par and without payment of the Make-Whole Amount or any premium.]

8. APPLICABILITY OF NOTE PURCHASE AGREEMENT. Except as otherwise expressly provided herein (and expressly permitted by the Note Purchase Agreement), all of the provisions of the Note Purchase Agreement are incorporated by reference herein and shall apply to the Series [ ] Notes as if expressly set forth in this Supplement.

IN WITNESS WHEREOF, the Parent, the Company and the Purchasers have caused this Supplement to be executed and delivered as of the date set forth above.

CONSOLIDATED STORES CORPORATION,  
an Ohio Corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CONSOLIDATED STORES CORPORATION,  
a Delaware Corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[ADD PURCHASER SIGNATURE BLOCKS]

Schedule A  
to Supplement  
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## INFORMATION RELATING TO PURCHASERS

Name and Address of Purchaser -----	Principal Amount of Series [    ] Notes to be Purchased -----
--	---

[NAME OF PURCHASER]

\$

- (1) All payments by wire transfer  
of immediately available  
funds to:

with sufficient information  
to identify the source and  
application of such funds.

- (2) All notices of payments and  
written confirmations of such  
wire transfers:

- (3) All other communications:

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Exhibit 1.1(d)

Schedule 5  
to Supplement  
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EXCEPTIONS TO REPRESENTATIONS  
AND WARRANTIES

5

Exhibit 1.1(d)

Exhibit 1 to  
Supplement  
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[FORM OF SERIES [ ] NOTE]

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Exhibit 1.1(d)

## EXHIBIT 1.2(a)

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[FORM OF SERIES 2001-A, TRANCHE 1, NOTE]

## CONSOLIDATED STORES CORPORATION

7.87% Senior Note, Series 2001-A,  
Tranche 1, due May 15, 2005

No. [\_\_\_\_\_]

[Date]

\$[\_\_\_\_\_]

PPN[\_\_\_\_\_]

FOR VALUE RECEIVED, the undersigned, CONSOLIDATED STORES CORPORATION (herein called the "Company"), a corporation organized and existing under the laws of the State of Ohio, promises to pay to [ ], or registered assigns, the principal sum of \$[ ] on May 15, 2005, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 7.87% per annum from the date hereof, payable semiannually, on May 15 and November 15 in each year, commencing with the May 15 or November 15 next succeeding the date hereof (except that no interest payment shall be made on May 15, 2001), until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 9.87% or (ii) 2% over the rate of interest publicly announced by Bank of America from time to time in Chicago, Illinois as its "base" or "prime" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America in Chicago, Illinois or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Notes (herein called the "Notes") issued pursuant to a Note Purchase Agreement, dated as of May 1, 2001 as from time to time amended and supplemented, the "Note Purchase Agreement"), among Consolidated Stores Corporation, a Delaware corporation (the "Parent"), the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement.

Exhibit 1.2(a)

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

Payment of the principal of, and interest and Make-Whole Amount, if any, on this Note, and all other amounts due under the Note Purchase Agreement, is guaranteed pursuant to the terms of Guaranties dated as of May 1, 2001 of the Parent and certain Subsidiaries of the Company(1).

This Note will be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of Illinois excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

CONSOLIDATED STORES CORPORATION

By: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Name: \_\_\_\_\_

- -----  
 (1) This paragraph must be modified at such time as there are no Subsidiary Guarantors.

## EXHIBIT 1.2(b)

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[FORM OF SERIES 2001-A, TRANCHE 2, NOTE]

## CONSOLIDATED STORES CORPORATION

7.97% Senior Note, Series 2001-A,  
Tranche 2, due May 15, 2006

No. [\_\_\_\_\_]

[Date]

\$[\_\_\_\_\_]

PPN[\_\_\_\_\_]

FOR VALUE RECEIVED, the undersigned, CONSOLIDATED STORES CORPORATION (herein called the "Company"), a corporation organized and existing under the laws of the State of Ohio, promises to pay to [\_\_\_\_], or registered assigns, the principal sum of \$[\_\_\_\_] on May 15, 2006, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 7.97% per annum from the date hereof, payable semiannually, on May 15 and November 15 in each year, commencing with the May 15 or November 15 next succeeding the date hereof (except that no interest payment shall be made on May 15, 2001), until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 9.97% or (ii) 2% over the rate of interest publicly announced by Bank of America from time to time in Chicago, Illinois as its "base" or "prime" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America in Chicago, Illinois or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Notes (herein called the "Notes") issued pursuant to a Note Purchase Agreement, dated as of May 1, 2001 as from time to time amended and supplemented, the "Note Purchase Agreement"), among Consolidated Stores Corporation, a Delaware corporation (the "Parent"), the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement.

Exhibit 1.2(b)

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

Payment of the principal of, and interest and Make-Whole Amount, if any, on this Note, and all other amounts due under the Note Purchase Agreement, is guaranteed pursuant to the terms of Guaranties dated as of May 1, 2001 of the Parent and certain Subsidiaries of the Company(1).

This Note will be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of Illinois excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

CONSOLIDATED STORES CORPORATION

By: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Name: \_\_\_\_\_

- -----  
 (1) This paragraph must be modified at such time as there are no Subsidiary Guarantors.

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[FORM OF SERIES 2001-A, TRANCHE 3, NOTE]

## CONSOLIDATED STORES CORPORATION

8.07% Senior Note, Series 2001-A,  
Tranche 3, due May 15, 2007

No. [\_\_\_\_\_] [Date]  
\$[\_\_\_\_\_] PPN[\_\_\_\_\_]

FOR VALUE RECEIVED, the undersigned, CONSOLIDATED STORES CORPORATION (herein called the "Company"), a corporation organized and existing under the laws of the State of Ohio, promises to pay to [\_\_\_\_], or registered assigns, the principal sum of \$[\_\_\_\_] on May 15, 2007, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 8.07% per annum from the date hereof, payable semiannually, on May 15 and November 15 in each year, commencing with the May 15 or November 15 next succeeding the date hereof (except that no interest payment shall be made on May 15, 2001), until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 10.07% or (ii) 2% over the rate of interest publicly announced by Bank of America from time to time in Chicago, Illinois as its "base" or "prime" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America in Chicago, Illinois or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Notes (herein called the "Notes") issued pursuant to a Note Purchase Agreement, dated as of May 1, 2001 as from time to time amended and supplemented, the "Note Purchase Agreement"), among Consolidated Stores Corporation, a Delaware corporation (the "Parent"), the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement.

Exhibit 1.2(c)

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

Payment of the principal of, and interest and Make-Whole Amount, if any, on this Note, and all other amounts due under the Note Purchase Agreement, is guaranteed pursuant to the terms of Guaranties dated as of May 1, 2001 of the Parent and certain Subsidiaries of the Company(1).

This Note will be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of Illinois excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

CONSOLIDATED STORES CORPORATION

By: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Name: \_\_\_\_\_

- -----

(1) This paragraph must be modified at such time as there are no Subsidiary Guarantors.

## EXHIBIT 4.4(a)

FORM OF OPINION OF COUNSEL  
TO THE COMPANY

The opinions of Vorys, Sater, Seymour and Pease LLP, counsel to the Parent and the Company, and Charles W. Haubiel II, General Counsel of the Parent, the Company and the Subsidiary Guarantors, shall be to the effect that:

1. Each of the Parent, the Company and each Subsidiary Guarantor is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, and each has all requisite corporate power and authority to own and operate its properties, to carry on its business as now conducted, and, in the case of the Company, to enter into and perform the Note Purchase Agreement and to issue and sell the Series 2001-A Notes, in the case of the Parent, to enter into and perform the Note Purchase Agreement and the Parent Guaranty, and, in the case of each Subsidiary Guarantor, to enter into and perform the Subsidiary Guaranty.

2. The Note Purchase Agreement and the Series 2001-A Notes have been duly authorized by proper corporate action on the part of the Company, and, in the case of the Agreement, by the Parent, have been duly executed and delivered by an authorized officer of the Company or the Parent, as the case may be, and constitute the legal, valid and binding agreements of the Company and the Parent, enforceable in accordance with their terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of the rights of creditors or by equitable principles, regardless of whether enforcement is sought in a proceeding in equity or at law.

3. The Guaranties have been duly authorized by proper corporate action on the part of the Parent or each Subsidiary Guarantor, as the case may be, have been duly executed and delivered by an authorized officer of the Parent or each such Subsidiary Guarantor, as the case may be, and constitute the legal, valid and binding obligation of the Parent and each Subsidiary Guarantor, enforceable in accordance with their terms, except to the extent the enforcement thereof may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of the rights of creditors or by equitable principles, regardless of whether enforcement is sought in a proceeding in equity or at law.

4. An Ohio court, or a federal court sitting in Ohio, would honor the choice of Illinois law to govern the Note Purchase Agreement, the Series 2001-A Notes and the Guaranties.

5. Based on the representations set forth in the Agreement, the offering, sale and delivery of the Series 2001-A Notes and delivery of the Guaranties do not require the registration of the Series 2001-A Notes or the Guaranties under the Securities Act of 1933, as amended, or the qualification of an indenture under the Trust Indenture Act of 1939, as amended.

Exhibit 4.4(a)

6. No authorization, approval or consent of, and no designation, filing, declaration, registration and/or qualification with, any Governmental Authority is necessary or required in connection with the execution, delivery and performance by the Parent or the Company of the Note Purchase Agreement or the offering, issuance and sale by the Company of the Series 2001-A Notes, and no authorization, approval or consent of, and no designation, filing, declaration, registration and/or qualification with, any Governmental Authority is necessary or required in connection with the execution, delivery and performance by the Parent or any Subsidiary Guarantor of the Guaranties.

7. The issuance and sale of the Series 2001-A Notes by the Company, the performance by the Company of the terms and conditions of the Series 2001-A Notes and by the Parent and the Company of the Note Purchase Agreement and the execution and delivery by the Parent and the Company of the Note Purchase Agreement do not conflict with, or result in any breach or violation of any of the provisions of, or constitute a default under, or result in the creation or imposition of any Lien on, the property of the Parent or any Subsidiary, including the Company, pursuant to the provisions of (i) the certificate or articles of incorporation, bylaws or code of regulations of the Parent or any Subsidiary, including the Company,, (ii) any loan agreement known to such counsel to which the Parent or any Subsidiary, including the Company, is a party or by which any of them or their property is bound, (iii) any other Material agreement or instrument known to such counsel to which the Parent or any Subsidiary, including the Company, is a party or by which any of them or their property is bound, (iv) any law (including usury laws) or regulation applicable to the Parent or the Company, or (v) to the knowledge of such counsel, any order, writ, injunction or decree of any court or Governmental Authority applicable to the Parent or the Company.

8. The execution, delivery and performance of the Guaranties will not conflict with, or result in any breach or violation of any of the provisions of, or constitute a default under, or result in the creation or imposition of any Lien on, the property of the Parent or any Subsidiary Guarantor pursuant to the provisions of (i) its certificate or articles of incorporation or by-laws, (ii) any loan agreement known to such counsel to which the Parent or any Subsidiary Guarantor is a party or by which it or its property is bound, (iii) any other agreement or instrument known to such counsel to which the Parent or any Subsidiary Guarantor is a party or by which it or its property is bound, (iv) any law or regulation applicable to the Parent or any Subsidiary Guarantor, or (v) to the knowledge of such counsel, any order, writ, injunction or decree of any court or Governmental Authority applicable to the Parent or any Subsidiary Guarantor.

9. Except as disclosed in Section 5.8 to the Note Purchase Agreement, to such counsel's knowledge there are no actions, suits or proceedings pending, or threatened against, or affecting the Parent, the Company or any Subsidiary, at law or in equity or before or by any Governmental Authority, that are likely to result, individually or in the aggregate, in a Material Adverse Effect.

10. None of the Parent or Company nor any other Subsidiary is (i) a "public utility company" or a "holding company," or a "subsidiary company" of a "holding company," as such

terms are defined in the Public Utility Holding Company Act of 1935, as amended, (ii) a "public utility" as defined in the Federal Power Act, as amended, or (iii) an "investment company" or a company "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

11. The issuance of the Series 2001-A Notes and the intended use of the proceeds of the sale of the Series 2001-A Notes do not violate or conflict with Regulation U, T or X of the Board of Governors of the Federal Reserve System.

The opinion of Vorys, Sater, Seymour and Pease LLP shall state that Gardner, Carton & Douglas may rely on its opinion to the extent set forth in such counsel's opinion and shall cover such other matters relating to the sale of the Series 2001-A Notes as the Purchasers may reasonably request. With respect to matters of fact on which such opinion is based, such counsel shall be entitled to rely on appropriate certificates of public officials and officers of the Parent and the Company and with respect to matters governed by the laws of any jurisdiction other than the United States of America, the laws of the State of Ohio or the Delaware General Corporation Law, such counsel may rely upon the opinions of counsel deemed (and stated in their opinion to be deemed) by them to be competent and reliable. For purposes of their opinion as to enforceability in paragraphs 2 and 3, Vorys, Sater, Seymour and Pease LLP may assume that Illinois law is substantially identical to Ohio law.

## EXHIBIT 4.4(b)

FORM OF OPINION OF SPECIAL COUNSEL  
TO THE PURCHASERS

The opinion of Gardner, Carton & Douglas, special counsel to the Purchasers, shall be to the effect that:

1. Each of the Parent and the Company is a corporation organized and validly existing in good standing under the laws of its state of incorporation, with requisite corporate power and authority to enter into the Agreement and to issue and sell the Series 2001-A Notes in the case of the Company and to enter into the Agreement and the Parent Guaranty in the case of the Parent.

2. The Note Purchase Agreement and the Series 2001-A Notes have been duly authorized by proper corporate action on the part of the Company, and, in the case of the Agreement, by the Parent, have been duly executed and delivered by an authorized officer of the Company and the Parent, and constitute the legal, valid and binding agreements of the Company and the Parent, enforceable in accordance with their terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of the rights of creditors or by equitable principles, regardless of whether enforcement is sought in a proceeding in equity or at law.

3. The Guaranties constitute the legal, valid and binding obligation of the Parent and each Subsidiary Guarantor, enforceable in accordance with their terms, except to the extent the enforcement thereof may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of the rights of creditors or by equitable principles, regardless of whether enforcement is sought in a proceeding in equity or at law.

4. Based upon the representations set forth in the Agreement, the offering, sale and delivery of the Series 2001-A Notes and the execution and delivery of the Guaranties do not require the registration of the Series 2001-A Notes or the Guaranties under the Securities Act of 1933, as amended, nor the qualification of an indenture under the Trust Indenture Act of 1939, as amended.

5. The issuance and sale of the Series 2001-A Notes and compliance with the terms and provisions of the Series 2001-A Notes and the Agreement will not conflict with or result in any breach of any of the provisions of the Certificate of Incorporation or By-Laws of the Company.

6. No approval, consent or withholding of objection on the part of, or filing, registration or qualification with, any governmental body, federal or state, is necessary in connection with the execution and delivery of the Agreement or the Series 2001-A Notes.

Exhibit 4.4(b)

Gardner, Carton & Douglas may rely (i) as to matters of Ohio law, (ii) as to the corporate power of the Company, the due authorization, execution and delivery by the Company of the Agreement and the Notes and the binding nature of the Agreement and the Notes on the Company and (iii) as to the due authorization, execution and delivery by each Subsidiary Guarantor of the Subsidiary Guaranty and as to its binding nature on each such Subsidiary Guaranty, upon the opinion of Vorys, Sater, Seymour and Pease LLP. The opinion of Gardner, Carton & Douglas also shall state that the opinion Vorys, Sater, Seymour and Pease LLP, counsel for the Parent and the Company, delivered to you pursuant to the Agreement, is satisfactory in form and scope to Gardner, Carton & Douglas, and, in its opinion, it and the Purchasers are justified in relying thereon and shall cover such other matters relating to the sale of the Series 2001-A Notes as the Purchasers may reasonably request.

CH01/12141260.13

## CREDIT AGREEMENT

by and among

CONSOLIDATED STORES CORPORATION, an Ohio corporation, as Borrower

and

THE GUARANTORS PARTY HERETO

and

THE BANKS PARTY HERETO

and

NATIONAL CITY BANK, as Administrative Agent, Lead Arranger and a Managing Agent

and

FLEET NATIONAL BANK, as Syndication Agent and a Managing Agent

and

PNC BANK, NATIONAL ASSOCIATION and FIRST UNION NATIONAL BANK, as  
Documentation Agents and Managing Agents

and

BANK OF AMERICA, N.A., THE BANK OF NEW YORK and FIRSTAR BANK, N.A., as  
Other Managing Agents

Dated as of May 8, 2001

## LIST OF SCHEDULES AND EXHIBITS

## SCHEDULES

SCHEDULE 1.1(A)	-	PRICING GRID
SCHEDULE 1.1(B)	-	COMMITMENTS OF BANKS AND ADDRESSES FOR NOTICES
SCHEDULE 1.1(E)	-	EXCLUDED INACTIVE SUBSIDIARIES
SCHEDULE 1.1(P)	-	PERMITTED LIENS
SCHEDULE 1.1(R)	-	ROLLOVER LCS
SCHEDULE 5.1.1	-	QUALIFICATIONS TO DO BUSINESS
SCHEDULE 5.1.2	-	CAPITALIZATION
SCHEDULE 5.1.3	-	SUBSIDIARIES
SCHEDULE 5.1.7	-	LITIGATION (NEW YORK POTENTIAL TAX CLAIM)
SCHEDULE 5.1.8	-	OWNED REAL PROPERTY
SCHEDULE 5.1.13	-	CONSENTS AND APPROVALS
SCHEDULE 5.1.16	-	INSURANCE POLICIES
SCHEDULE 5.1.20	-	EMPLOYEE BENEFIT PLAN DISCLOSURES
SCHEDULE 5.1.22	-	ENVIRONMENTAL DISCLOSURES
SCHEDULE 7.2.1	-	PERMITTED INDEBTEDNESS

## EXHIBITS

EXHIBIT 1.1(A)	-	ASSIGNMENT AND ASSUMPTION AGREEMENT
EXHIBIT 1.1(G)(1)	-	GUARANTOR JOINDER
EXHIBIT 1.1(G)(2)	-	GUARANTY AGREEMENT
EXHIBIT 1.1(I)(1)	-	INTERCOMPANY SUBORDINATION AGREEMENT
EXHIBIT 1.1(I)(2)	-	INTERCREDITOR AGREEMENT
EXHIBIT 1.1(P)	-	PAYOFF LETTER
EXHIBIT 1.1(R)	-	REVOLVING CREDIT NOTE
EXHIBIT 1.1(S)	-	SWING LOAN NOTE
EXHIBIT 1.1(T)	-	364-DAY LOAN NOTE
EXHIBIT 2.5.1	-	LOAN REQUEST
EXHIBIT 2.5.2	-	SWING LOAN REQUEST
EXHIBIT 6.1.5	-	OPINION OF COUNSEL
EXHIBIT 7.3.3	-	QUARTERLY COMPLIANCE CERTIFICATE

## CREDIT AGREEMENT

THIS CREDIT AGREEMENT is dated as of May 8, 2001 and is made by and among CONSOLIDATED STORES CORPORATION, an Ohio corporation (the "Borrower"), the Guarantors (as hereinafter defined), the BANKS (as hereinafter defined), and NATIONAL CITY BANK, in its capacity as Administrative Agent (the "Administrative Agent") for the Banks, the Lead Arranger (the "Lead Arranger") and as a Managing Agent, FLEET NATIONAL BANK, in its capacity as the Syndication Agent (the "Syndication Agent") and as a Managing Agent and PNC BANK, NATIONAL ASSOCIATION and FIRST UNION NATIONAL BANK, each in its capacity as Documentation Agent (the "Documentation Agents") and as Managing Agents and BANK OF AMERICA, N.A., THE BANK OF NEW YORK and FIRSTSTAR BANK, N.A., in their capacity as Managing Agents (collectively the "Managing Agents").

## WITNESSETH:

WHEREAS, the Borrower had requested credit facilities in an aggregate principal amount of \$512,500,000, including a \$153,750,000 364-day facility and a 358,750,000 revolving credit facility; and

WHEREAS, the credit facilities shall be used (i) to refinancing existing senior Indebtedness, (ii) to finance capital expenditures, (iii) to provide for ongoing working capital, and (iv) to provide for general corporate needs; and

WHEREAS, the Banks are willing to provide such credit upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, the parties hereto, in consideration of their mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, covenant and agree as follows:

## 1. CERTAIN DEFINITIONS

## 1.1 CERTAIN DEFINITIONS.

In addition to words and terms defined elsewhere in this Agreement, the following words and terms shall have the following meanings, respectively, unless the context hereof clearly requires otherwise:

ACQUISITION CONSIDERATION shall mean with respect to any acquisition described in and permitted under Section 7.2.6 [Liquidations, Mergers, Consolidations, Acquisitions], the aggregate of (i) the cash paid by any of the Loan Parties, directly or indirectly, to the seller in connection therewith, (ii) the Indebtedness incurred or assumed by any of the Loan Parties, whether in favor of the seller or otherwise and whether fixed or contingent, (iii) any Guaranty

given or incurred by any Loan Party in connection therewith, and (iv) any other consideration given or obligation incurred by any of the Loan Parties in connection therewith.

ADMINISTRATIVE AGENT shall mean National City Bank, and its successors and assigns.

ADMINISTRATIVE AGENT'S FEE shall have the meaning assigned to that term in Section 9.

ADMINISTRATIVE AGENT'S LETTER shall have the meaning assigned to that term in Section 9.

AFFILIATE as to any Person shall mean any other Person (i) which directly or indirectly controls, is controlled by, or is under common control with such Person, (ii) which beneficially owns or holds 5% or more of any class of the voting or other equity interests of such Person, or (iii) 5% or more of any class of voting interests or other equity interests of which is beneficially owned or held, directly or indirectly, by such Person. Control, as used in this definition, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, including the power to elect a majority of the directors or trustees of a corporation or trust, as the case may be.

AGGREGATE COMMITMENTS shall mean the sum of the Commitments, excluding the Swing Loan Commitment.

AGREEMENT shall mean this Credit Agreement, as the same may be supplemented or amended from time to time, including all schedules and exhibits.

AGGREGATE FACILITY USAGE shall mean as of any date the sum of the Revolving Facility Usage plus the 364-Day Loans outstanding on such Date.

ALTERNATE BASE RATE shall mean the greater of (i) the interest rate per annum announced from time to time by the Administrative Agent at its Principal Office as its then prime rate, which rate may not be the lowest rate then being charged commercial borrowers by the Administrative Agent, or (ii) the Federal Funds Effective Rate plus 1/2% per annum.

ALTERNATE BASE RATE OPTION shall mean either the Revolving Credit Alternate Base Rate Option or the 364-Day Loan Alternate Base Rate Option.

ANNUAL STATEMENTS shall have the meaning assigned to that term in Section 5.1.9(i).

APPLICABLE MARGIN shall mean, as applicable:

(A) the percentage spread to be added to the Alternate Base Rate under the Revolving Credit Alternate Base Rate Option based on the Debt Rating then in effect according

to the pricing grid on SCHEDULE 1.1(A) below the heading "Revolving Credit Alternate Base Rate Spread",

(B) the percentage spread to be added to Alternate Base Rate under the 364-Day Loan Alternate Base Rate Option based on the Debt Rating then in effect according to the pricing grid on SCHEDULE 1.1(A) below the heading "364-Day Loan Alternate Base Rate Spread",

(C) the percentage spread to be added to the Euro-Rate under the Revolving Credit Euro-Rate Option based on the Debt Rating then in effect according to the pricing grid on SCHEDULE 1.1(A) below the heading "Revolving Credit Euro-Rate Spread", or

(D) the percentage spread to be added to the Euro-Rate under the 364-Day Loan Euro-Rate Option based on the Debt Rating then in effect according to the pricing grid on SCHEDULE 1.1(A) below the heading "364-Day Loan Euro-Rate Spread".

The Applicable Margin shall be computed in accordance with the parameters set forth on SCHEDULE 1.1(A).

APPLICABLE FACILITY FEE RATE shall mean the Applicable Revolving Credit Facility Fee Rate or the Applicable 364-Day Loan Facility Fee Rate, as applicable.

APPLICABLE REVOLVING CREDIT FACILITY FEE RATE shall mean the percentage rate per annum based on the Debt Rating then in effect according to the pricing grid on SCHEDULE 1.1(A) below the heading "Revolving Credit Facility Fee." The Applicable Revolving Credit Facility Fee Rate shall be computed in accordance with the parameters set forth on SCHEDULE 1.1(A).

APPLICABLE 364-DAY LOAN FACILITY FEE RATE shall mean the percentage rate per annum based on the Debt Rating then in effect according to the pricing grid on SCHEDULE 1.1(A) below the heading "364-Day Loan Facility Fee." The Applicable 364-Day Loan Facility Fee Rate shall be computed in accordance with the parameters set forth on SCHEDULE 1.1(A).

ASSIGNEE BANK shall have the meaning assigned to such term in Section 2.11.2.

ASSIGNMENT AND ASSUMPTION AGREEMENT shall mean an Assignment and Assumption Agreement by and among a Purchasing Bank, a Transferor Bank, the Borrower and the Administrative Agent, as Administrative Agent and on behalf of the remaining Banks, substantially in the form of EXHIBIT 1.1(A).

AUTHORIZED OFFICER shall mean those individuals, designated by written notice to the Administrative Agent from the Borrower, authorized to execute notices, reports and other documents on behalf of the Loan Parties required hereunder. The Borrower may amend such list of individuals from time to time by giving written notice of such amendment to the Administrative Agent.

BANKS shall mean the financial institutions named on SCHEDULE 1.1(B) and their respective successors and assigns as permitted hereunder, each of which is referred to herein as a Bank.

BANKS' RATABLE SHARE OF THE SENIOR CREDIT COMMITTED AMOUNTS shall mean at any time the ratio of (1) the Aggregate Commitments (but if the Commitments have been terminated, the Revolving Facility Usage plus the 364-Day Loans outstanding) at such time, to (2) the sum of the Aggregate Commitments (but if the Commitments have been terminated, the Revolving Facility Usage plus the 364-Day Loans outstanding) at such time, and the principal amount of the Senior Notes then outstanding.

BANKS' RATABLE SHARE OF THE SENIOR CREDIT OUTSTANDINGS shall mean at any time the ratio of (1) the Revolving Facility Usage plus the 364-Day Loans outstanding, to (2) the sum of the Revolving Facility Usage plus the 364-Day Loans outstanding plus the principal amount of the Senior Notes then outstanding.

BENEFIT ARRANGEMENT shall mean at any time an "employee benefit plan," within the meaning of Section 3(3) of ERISA, which is neither a Plan nor a Multiemployer Plan and which is maintained, sponsored or otherwise contributed to by any member of the ERISA Group.

BORROWER shall mean Consolidated Stores Corporation, a corporation organized and existing under the laws of the State of Ohio.

BORROWING DATE shall mean, with respect to any Loan, the date for the making thereof or the renewal or conversion thereof at or to the same or a different Interest Rate Option, which shall be a Business Day.

BORROWING TRANCHE shall mean specified portions of Loans outstanding as follows: (i) any Loans to which a Euro-Rate Option applies which become subject to the same Interest Rate Option under the same Loan Request by the Borrower and which have the same Interest Period shall constitute one Borrowing Tranche, and (ii) all Loans to which an Alternate Base Rate Option applies shall constitute one Borrowing Tranche.

BUSINESS DAY shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required to be closed for business in Columbus, Ohio and if the applicable Business Day relates to any Loan to which the Euro-Rate Option applies, such day must also be a day on which dealings are carried on in the London interbank market.

CLOSING DATE shall mean May 8, 2001, the date of this Agreement.

COMMITMENT shall mean as to any Bank the aggregate of its Revolving Credit Commitment and 364-Day Loan Commitment and, in the case of the Administrative Agent, its

Swing Loan Commitment, and COMMITMENTS shall mean collectively, the Revolving Credit Commitments, 364-Day Loan Commitments and Swing Loan Commitment of all of the Banks.

COMPANY shall mean Consolidated Stores Corporation, a Delaware corporation, which beneficially owns directly or indirectly all of the capital stock of the Borrower and its Subsidiaries.

COMPLIANCE CERTIFICATE shall have the meaning assigned to such term in Section 7.3.3 [Certificate of the Borrower].

CONSOLIDATED EBITDAR for any period of determination shall mean (i) the sum of Consolidated Net Income (subject to the Consolidated Income Adjustment as provided for in the definition of Consolidated Net Income), depreciation, amortization, other non-cash charges to net income (without duplication of the Consolidated Income Adjustment), interest expense, income tax expense and Consolidated Rental Expense for such period minus (ii) non-cash credits to net income (without duplication of the Consolidated Income Adjustment), in each case of the Company and its Subsidiaries for such period determined and consolidated in accordance with GAAP.

CONSOLIDATED INCOME ADJUSTMENT shall mean the adjustment listed below to be made to any computation of Consolidated Net Income for the quarters listed below in the amount specified next to such quarter. Such adjustment principally reflects non-cash charges or credits resulting from discontinued operations. (The negative number listed below is to be subtracted from Consolidated Net Income.)

QUARTER ENDING ON OR ABOUT DATE

SPECIFIED BELOW	ADJUSTMENT
APRIL 30, 2000	\$27,501,000
JULY 31, 2000	\$71,956,000
OCTOBER 31, 2000	\$406,588,000
JANUARY 31, 2001	(\$27,069,000)

CONSOLIDATED NET INCOME for any period of determination shall mean (i) the consolidated net income of the Company and its Subsidiaries for such period determined and consolidated in accordance with GAAP, plus (ii) the applicable Consolidated Income Adjustment for such period.

CONSOLIDATED NET WORTH shall mean, as of any date, consolidated total stockholders' equity of the Company and its Subsidiaries, on such date, determined and consolidated in accordance with GAAP.

CONSOLIDATED RENTAL EXPENSE for any period of determination shall mean the aggregate rental amounts payable by the Company and its Subsidiaries during such period under any lease of real property having a remaining term (including any required renewals or any renewals at the option of the lessor or lessee) of one year or more (but does not include any amounts payable under capitalized leases or performance rents), determined in accordance with GAAP.

CONTAMINATION shall mean the presence or release or threat of release of Regulated Substances in, on, under or emanating to or from the Property, which pursuant to Environmental Laws requires notification or reporting to an Official Body, and which pursuant to Environmental Laws requires the investigation, cleanup, removal, remediation, containment, abatement of or other response action or which otherwise constitutes a violation of Environmental Laws.

DEBT RATING shall mean the rating of the Borrower's senior unsecured long-term debt by each of Standard & Poor's and Moody's.

DIVIDEND LIMITATION shall mean the sum of:

(i) \$50,000,000, plus

(ii) for each fiscal year beginning with the fiscal year ending on February 3, 2001, 25% of the Consolidated Net Income for such fiscal year (subject to the Consolidated Income Adjustment as provided for in the definition of Consolidated Net Income). Losses shall be treated as negative numbers earned by the Company and its Subsidiaries for such fiscal year.

DOCUMENTARY LETTER OF CREDIT shall have the meaning assigned to that term in Section 2.10.1.

DOCUMENTARY LETTER OF CREDIT OUTSTANDINGS shall mean at any time the sum of (i) the aggregate undrawn face amount of outstanding Documentary Letters of Credit (which excludes Documentary Letter of Credit (Time Draft) Outstandings) and (ii) without duplication, the aggregate amount of all unpaid and outstanding Reimbursement Obligations relating to Documentary Letters of Credit then outstanding.

DOCUMENTARY LETTER OF CREDIT (TIME DRAFT) OUTSTANDINGS shall mean at any time the aggregate face amount of all drafts outstanding under any Documentary Letters of Credit which the Administrative Agent has accepted for payment, but has not yet paid, because such drafts are payable at a later date that has not yet occurred.

DOCUMENTATION AGENTS shall mean PNC Bank, National Association and First Union National Bank.

DOLLAR, DOLLARS, U.S. DOLLARS and the symbol \$ shall mean lawful money of the United States of America.

DRAWING DATE shall have the meaning assigned to that term in Section 2.10.3.2.

ENVIRONMENTAL COMPLAINT shall mean any written complaint by any Person or Official Body setting forth a cause of action for personal injury or property damage, natural resource damage, contribution or indemnity for response costs, civil or administrative penalties, criminal fines or penalties, or declaratory or equitable relief arising under any Environmental Laws or any order, notice of violation, citation, subpoena, request for information or other written notice or demand of any type issued by an Official Body pursuant to any Environmental Laws.

ENVIRONMENTAL LAWS shall mean all federal, state, local and foreign Laws and any consent decrees, settlement agreements, judgments, orders, directives, policies or programs issued by or entered into with an Official Body pertaining or relating to: (i) pollution or pollution control; (ii) protection of human health or the environment; (iii) employee safety in the workplace; (iv) the presence, use, management, generation, manufacture, processing, extraction, treatment, recycling, refining, reclamation, labeling, transport, storage, collection, distribution, disposal or release or threat of release of Regulated Substances; (v) the presence of Contamination; (vi) the protection of endangered or threatened species; and (vii) the protection of Environmentally Sensitive Areas.

ENVIRONMENTALLY SENSITIVE AREA shall mean (i) any wetland as defined by applicable Environmental Laws; (ii) any area designated as a coastal zone pursuant to applicable Laws, including Environmental Laws; (iii) any area of historic or archeological significance or scenic area as defined or designated by applicable Laws, including Environmental Laws; (iv) habitats of endangered species or threatened species as designated by applicable Laws, including Environmental Laws; or (v) a floodplain or other flood hazard area as defined pursuant to any applicable Laws.

ERISA shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

ERISA GROUP shall mean, at any time, the Borrower and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with the Borrower, are treated as a single employer under Section 414 of the Internal Revenue Code.

EURO-RATE shall mean, with respect to the Loans comprising any Borrowing Tranche to which the Euro-Rate Option applies for any Interest Period, the interest rate per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1% per annum) (i) the rate of interest determined by the Administrative Agent in accordance with its usual procedures (which determination shall be conclusive absent manifest error) to be the average of the London interbank offered rates for U.S. Dollars quoted by the British Bankers' Association as set forth on Telerate Service of Bridge Information Systems (formerly known as Dow Jones Markets Service) (or appropriate successor or, if the British Bankers' Association or its successor ceases to provide such quotes, a comparable replacement determined by the Administrative Agent) display page 3750 (or such

other display page on the Telerate Service of Bridge Information Systems (formerly known as Dow Jones Markets Service) system as may replace display page 3750) two (2) Business Days prior to the first day of such Interest Period for an amount comparable to such Borrowing Tranche and having a borrowing date and a maturity comparable to such Interest Period by (ii) a number equal to 1.00 minus the Euro-Rate Reserve Percentage. The Euro-Rate may also be expressed by the following formula:

$$\text{Euro-Rate} = \frac{\begin{array}{l} \text{Average of London interbank offered rates quoted by} \\ \text{BBA or appropriate successor as shown on on Telerate} \\ \text{Service of Bridge Information Systems (formerly known as} \\ \text{DOW JONES MARKETS SERVICE) DISPLAY PAGE 3750} \end{array}}{1.00 - \text{Euro-Rate Reserve Percentage}}$$

The Euro-Rate shall be adjusted with respect to any Loan to which the Euro-Rate Option applies that is outstanding on the effective date of any change in the Euro-Rate Reserve Percentage as of such effective date. The Administrative Agent shall give prompt notice to the Borrower of the Euro-Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

EURO-RATE OPTION shall mean either the Revolving Credit Euro-Rate Option or the 364-Day Loan Euro-Rate Option.

EURO-RATE RESERVE PERCENTAGE shall mean the maximum percentage (expressed as a decimal rounded upward to the nearest 1/100 of 1%) as determined by the Administrative Agent which is in effect during any relevant period, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as "Eurocurrency Liabilities") of a member bank in such System.

EVENT OF DEFAULT shall mean any of the events described in Section 8.1 and referred to therein as an "Event of Default."

EXCLUDED INACTIVE SUBSIDIARIES shall mean the Subsidiaries of the Company listed on SCHEDULE 1.1(E). Each Excluded Inactive Subsidiary shall at all times have no material assets or liabilities (except for the New York Potential Tax Claim) and shall not conduct business. Any Excluded Inactive Subsidiary which joins this Agreement as a Guarantor pursuant to Section 10.18 shall cease to be an Excluded Inactive Subsidiary.

EXTENDING BANK shall have the meaning assigned to such term in Section 2.11.2.

FACILITY FEES shall mean the Revolving Credit Facility Fee and the 364-Day Loan Facility Fee.

FEDERAL FUNDS EFFECTIVE RATE for any day shall mean the rate per annum (based on a year of 360 days and actual days elapsed and rounded upward to the nearest 1/100 of 1%)

announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Federal Funds Effective Rate" as of the date of this Agreement; PROVIDED, if such Federal Reserve Bank (or its successor) does not announce such rate on any day, the "Federal Funds Effective Rate" for such day shall be the Federal Funds Effective Rate for the last day on which such rate was announced.

FINANCIAL PROJECTIONS shall have the meaning assigned to that term in Section 5.1.9(ii).

FIXED CHARGE COVERAGE RATIO shall mean the ratio of Consolidated EBITDAR to the sum of consolidated interest expense and Consolidated Rental Expense.

FOREIGN SUBSIDIARY shall have the meaning assigned to that term in Section 7.2.6.

GAAP shall mean generally accepted accounting principles as are in effect from time to time, subject to the provisions of Section 1.3, and applied on a consistent basis both as to classification of items and amounts.

GOVERNMENTAL ACTS shall have the meaning assigned to that term in Section 2.10.8.

GUARANTOR shall mean the Company and each of the Subsidiaries of the Company which is a party to this Agreement and the Guaranty Agreement and is designated as a "Guarantor" on the signature page hereof and each other Subsidiary of the Company which joins this Agreement and the Guaranty Agreement as a Guarantor after the date hereof pursuant to Section 10.18. Each Subsidiary of the Company shall be a Guarantor except for (1) the Excluded Inactive Subsidiaries listed on SCHEDULE 1.1(E) and (2) certain Foreign Subsidiaries as described in Section 7.2.9.

GUARANTOR JOINDER shall mean a joinder by a Person as a Guarantor under this Agreement, the Guaranty Agreement and the other Loan Documents in the form of EXHIBIT 1.1(G)(1).

GUARANTY of any Person shall mean any obligation of such Person guaranteeing or in effect guaranteeing any liability or obligation of any other Person in any manner, whether directly or indirectly, including any agreement to indemnify or hold harmless any other Person, any performance bond or other suretyship arrangement and any other form of assurance against loss, except endorsement of negotiable or other instruments for deposit or collection in the ordinary course of business.

GUARANTY AGREEMENT shall mean the Guaranty and Suretyship Agreement in substantially the form of EXHIBIT 1.1(G)(2) executed and delivered by each of the Guarantors to the Administrative Agent for the benefit of the Banks.

INCOME TAX REGULATIONS shall mean those regulations promulgated pursuant to the Internal Revenue Code.

INDEBTEDNESS shall mean, as to any Person at any time, any and all indebtedness, obligations or liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of such Person for or in respect of: (i) borrowed money, (ii) amounts raised under or liabilities in respect of any note purchase or acceptance credit facility, (iii) reimbursement obligations (contingent or otherwise) under any letter of credit, currency swap agreement, interest rate swap, cap, collar or floor agreement or other interest rate management device, (iv) any other transaction (including forward sale or purchase agreements, capitalized leases (but not operating leases) and conditional sales agreements) having the commercial effect of a borrowing of money entered into by such Person to finance its operations or capital requirements (but not including trade payables and accrued expenses incurred in the ordinary course of business which are not represented by a promissory note or other evidence of indebtedness and which are not more than thirty (30) days past due), or (v) any Guaranty of Indebtedness for borrowed money.

INELIGIBLE SECURITY shall mean any security which may not be underwritten or dealt in by member banks of the Federal Reserve System under Section 16 of the Banking Act of 1933 (12 U.S.C. Section 24, Seventh), as amended.

INSOLVENCY PROCEEDING shall mean, with respect to any Person, (a) a case, action or proceeding with respect to such Person (i) before any court or any other Official Body under any bankruptcy, insolvency, reorganization or other similar Law now or hereafter in effect, or (ii) for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator, conservator (or similar official) of such Person or otherwise relating to the liquidation, dissolution, winding-up or relief of such Person, or (b) any general assignment for the benefit of creditors, composition, marshaling of assets for creditors, or other, similar arrangement in respect of such Person's creditors, generally or any substantial portion of its creditors; undertaken under any Law.

INTERCOMPANY LOANS shall mean loans made by one Loan Party to one or more other Loan Parties.

INTERCOMPANY SUBORDINATION AGREEMENT shall mean a Subordination Agreement among the Loan Parties in the form attached hereto as EXHIBIT 1.1(I)(1).

INTERCREDITOR AGREEMENT shall mean the Intercreditor Agreement among the holders of the Senior Notes and the Agent on behalf of the Banks in the form attached as EXHIBIT 1.1(I)(2).

INTEREST PERIOD shall mean the period of time selected by the Borrower in connection with (and to apply to) any election permitted hereunder by the Borrower to have Revolving Credit Loans or 364-Day Loans bear interest under the Euro-Rate Option. Subject to the last sentence of this definition, such period shall be one, two, three or six Months. Such

Interest Period shall commence on the effective date of such Interest Rate Option, which shall be (i) the Borrowing Date if the Borrower is requesting new Loans, or (ii) the date of renewal of or conversion to the Euro-Rate Option if the Borrower is renewing or converting to the Euro-Rate Option applicable to outstanding Loans. Notwithstanding the second sentence hereof: (A) any Interest Period which would otherwise end on a date which is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (B) the Borrower shall not select, convert to or renew an Interest Period for any portion of the Revolving Credit Loans that would end after the Revolving Credit Expiration Date or for any portion of the 364-Day Loans that would end after the 364-Day Loan Expiration Date.

INTEREST RATE OPTION shall mean any Euro-Rate Option or Alternate Base Rate Option.

INTERNAL REVENUE CODE shall mean the Internal Revenue Code of 1986, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

ISSUING LETTER OF CREDIT BANK shall mean with respect to a Letter of Credit, a Bank which has issued that Letter of Credit pursuant to Section 2.10. The Administrative Agent shall be the Issuing Letter of Credit Bank under all Standby Letters of Credit and under all Rollover LCs. Another Bank which is a Qualified Documentary Letter of Credit Bank may be the Issuing Letter of Credit Bank under Documentary Letters of Credit.

LABOR CONTRACTS shall mean all employment agreements, employment contracts, collective bargaining agreements and other similar agreements among any Loan Party or Subsidiary of a Loan Party and its employees.

LAW shall mean any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, release, ruling, order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or settlement agreement with any Official Body.

LEAD ARRANGER shall mean National City Bank.

LETTER OF CREDIT shall have the meaning assigned to that term in Section 2.10.1.

LETTER OF CREDIT BORROWING shall have the meaning assigned to such term in Section 2.10.3.4.

LETTERS OF CREDIT FEES shall have the meaning assigned to that term in Section 2.10.2.

LETTERS OF CREDIT OUTSTANDING shall mean at any time the sum, without duplication, of (i) the aggregate undrawn face amount of outstanding Letters of Credit and (ii) the aggregate

amount of all unpaid and outstanding Reimbursement Obligations and Letter of Credit Borrowings.

LEVERAGE RATIO shall mean as of any quarter ended, the ratio of (i) Senior Funded Debt on such date plus four (4) times Consolidated Rental Expense for the preceding four quarters, to (ii) Consolidated EBITDAR for the preceding four quarters.

LIEN shall mean any mortgage, deed of trust, pledge, lien, security interest, charge or other encumbrance or security arrangement of any nature whatsoever, whether voluntarily or involuntarily given, including any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security and any filed financing statement or other notice of any of the foregoing (whether or not a lien or other encumbrance is created or exists at the time of the filing).

LLC INTERESTS shall have the meaning given to such term in Section 5.1.3.

LOAN DOCUMENTS shall mean this Agreement, the Administrative Agent's Letter, the Guaranty Agreement, the Intercompany Subordination Agreement, the Notes, the Interc Creditor Agreement, any Letter of Credit Applications and any other instruments, certificates or documents delivered or contemplated to be delivered hereunder or thereunder or in connection herewith or therewith, as the same may be supplemented or amended from time to time in accordance herewith or therewith, and LOAN DOCUMENT shall mean any of the Loan Documents. Qualified Interest Rate Protection Agreements are not Loan Documents.

LOAN PARTIES shall mean the Borrower and the Guarantors.

LOAN REQUEST shall have the meaning given to such term in Section 2.5.1.

LOANS shall mean collectively and LOAN shall mean separately all Revolving Credit Loans, Swing Loans, and the 364-Day Loans or any Revolving Credit Loan, Swing Loan, or 364-Day Loan.

MANAGING AGENTS shall mean National City Bank, Bank of America, N.A., PNC Bank, National Association, The Bank Of New York, First Union National Bank, Fleet National Bank, and Firststar Bank, N.A.

MATERIAL ADVERSE CHANGE shall mean any set of circumstances or events which (a) has or would reasonably be expected to have any material adverse effect upon the validity or enforceability of this Agreement or any other Loan Document, (b) is or would reasonably be expected to be material and adverse to the business, properties, assets, financial condition, results of operations of the Loan Parties taken as a whole, (c) impairs materially or would reasonably be expected to impair materially the ability of the Loan Parties taken as a whole to duly and punctually pay or perform its Indebtedness, or (d) impairs materially or would reasonably be expected to impair materially the ability of the Administrative Agent or any of the Banks, to the extent permitted, to enforce their legal remedies pursuant to this Agreement or any other Loan Document.

MIGRATION shall mean the reincorporation of the Company from the State of Delaware to the State of Ohio after the Closing Date.

MONTH, with respect to an Interest Period under the Euro-Rate Option, shall mean the interval between the days in consecutive calendar months numerically corresponding to the first day of such Interest Period. If any Euro-Rate Interest Period begins on a day of a calendar month for which there is no numerically corresponding day in the month in which such Interest Period is to end, the final month of such Interest Period shall be deemed to end on the last Business Day of such final month.

MULTIEMPLOYER PLAN shall mean any employee benefit plan which is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA and to which the Borrower or any member of the ERISA Group is then making or accruing an obligation to make contributions or, within the preceding five Plan years, has made or had an obligation to make such contributions.

MULTIPLE EMPLOYER PLAN shall mean a Plan which has two or more contributing sponsors (including the Borrower or any member of the ERISA Group) at least two of whom are not under common control, as such a plan is described in Sections 4063 and 4064 of ERISA.

NEW YORK POTENTIAL TAX CLAIM shall mean the liability for taxes on gains arising from the resale of real estate asserted by the New York State Department of Taxation and Finance against some of the Excluded Inactive Subsidiaries described in Section 5.1.7 [Litigation].

NON-EXTENDING BANK shall have the meaning assigned to that term in Section 2.11 [Extension by Banks of the 364-Day Loan Expiration Date]. NON-EXTENDING BANK WHOSE 364-DAY COMMITMENT IS TO BE TERMINATED shall have the meaning assigned to that term in Section 2.11.

NOTES shall mean the Revolving Credit Notes, the Swing Note and the 364-Day Loan Notes.

NOTICE shall have the meaning assigned to that term in Section 10.6.

OBLIGATION shall mean any obligation or liability of any of the Loan Parties to the Administrative Agent, the Swing Lender or any of the Banks, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, under or in connection with this Agreement, the Notes, the Letters of Credit, the Administrative Agent's Letter or any other Loan Document.

OFFICIAL BODY shall mean any national, federal, state, local or other government or political subdivision or any agency, authority, board, bureau, central bank, commission, department or instrumentality of either, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

PARTICIPATION ADVANCE shall mean, with respect to any Bank, such Bank's payment in respect of its participation in a Letter of Credit Borrowing according to its Revolving Credit Ratable Share pursuant to Section 2.10.4.

PARTNERSHIP INTERESTS shall have the meaning given to such term in Section 5.1.3.

PAYOFF LETTER shall mean the Payoff Letter with respect to the Existing Credit Agreement in the form attached as Exhibit 1.1(P) hereto.

PBGC shall mean the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

PERMITTED EXCEPTION shall mean a proceeding asserted exclusively against one or more Excluded Inactive Subsidiaries (and not against or including any other Subsidiary or any Loan Party) to collect the New York Potential Tax Claim, provided that such proceeding shall not be a Permitted Exception if it could reasonably be expected to result in a Material Adverse Change.

PERMITTED INVESTMENTS shall mean:

(i) direct obligations of the United States of America or any agency or instrumentality thereof or obligations backed by the full faith and credit of the United States of America maturing in twelve (12) months or less from the date of acquisition;

(ii) commercial paper maturing in 270 days or less rated not lower than A-1, by Standard & Poor's or P-1 by Moody's Investors Service, Inc. on the date of acquisition; and

(iii) demand deposits, time deposits or certificates of deposit maturing within one year in commercial banks whose obligations are rated A-1, A or the equivalent or better by Standard & Poor's on the date of acquisition.

PERMITTED LIENS shall mean:

(i) Liens for taxes, assessments, or similar charges, incurred in the ordinary course of business and which are not yet due and payable;

(ii) Pledges or deposits made in the ordinary course of business to secure payment of workmen's compensation, or to participate in any fund in connection with workmen's compensation, unemployment insurance, old-age pensions or other social security programs;

(iii) Liens of mechanics, materialmen, warehousemen, carriers, or other like Liens, securing obligations incurred in the ordinary course of business that are not yet due and payable and Liens of landlords securing obligations to pay lease payments that are not yet due and payable or in default;

(iv) Good-faith pledges or deposits made in the ordinary course of business to secure performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, not in excess of the aggregate amount due thereunder, or to secure statutory obligations, or surety, appeal, indemnity, performance or other similar bonds required in the ordinary course of business;

(v) Encumbrances consisting of zoning restrictions, easements or other restrictions on the use of real property, none of which materially impairs the use of such property or the value thereof, and none of which is violated in any material respect by existing or proposed structures or land use;

(vi) Liens on property leased by or consigned to any Loan Party or Subsidiary of a Loan Party under capital and operating leases or consignment arrangements permitted in Section 7.2.18 [Capital Expenditures and Capitalized Leases] securing obligations of such Loan Party or Subsidiary to the lessor under such leases;

(vii) Any Lien existing on the date of this Agreement and described on SCHEDULE 1.1(P), PROVIDED that the principal amount secured thereby is not hereafter increased, and no additional assets become subject to such Lien;

(viii) Purchase Money Security Interests to the extent that (X) such Purchase Money Security Interests attach to inventory purchased in the ordinary course of business pursuant to customary payment terms and are not perfected by the filing of financing statements or other public filings or (Y) the aggregate amount of loans and deferred payments secured by Purchase Money Security Interests not described in the foregoing clause (X) do not exceed at any one time outstanding \$10,000,000 (excluding for the purpose of this computation any loans or deferred payments secured by Liens described on SCHEDULE 1.1(P)); and

(ix) Any one or more of the following, (A) if the validity or amount thereof is being contested in good faith by appropriate and lawful proceedings diligently conducted so long as levy and execution thereon have been stayed and continue to be stayed or (B) if a final judgment is entered and such judgment is discharged within thirty (30) days of entry or (C) if payments thereof are covered in full (subject to customary deductibles) by an insurance company of reputable standing which has acknowledged that the applicable policy applies to the following and is not reserving any right to contest applicability, and in any case they do not in the aggregate, materially impair the ability of any Loan Party to perform its Obligations hereunder or under the other Loan Documents:

(1) Claims or Liens for taxes, assessments or charges due and payable and subject to interest or penalty, provided that the applicable Loan Party maintains such reserves or other appropriate provisions as shall be required by GAAP and pays all such taxes, assessments or charges forthwith upon the commencement of proceedings to foreclose any such Lien;

(2) Claims, Liens or encumbrances upon, and defects of title to, real or personal property, including any attachment of personal or real property or other legal process prior to adjudication of a dispute on the merits;

(3) Claims or Liens of mechanics, materialmen, warehousemen, carriers, or other statutory nonconsensual Liens; or

(4) Liens resulting from final judgments or orders described in Section 8.1.6.

(x) additional Liens securing Indebtedness not to exceed

\$10,000,000.

PERSON shall mean any individual, corporation, partnership, limited liability company, association, joint-stock company, trust, unincorporated organization, joint venture, government or political subdivision or agency thereof, or any other entity.

PLAN shall mean at any time an employee pension benefit plan (including a Multiple Employer Plan, but not a Multiemployer Plan) which is covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Internal Revenue Code and either (i) is maintained by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained by any entity which was at such time a member of the ERISA Group for employees of any entity which was at such time a member of the ERISA Group.

POTENTIAL DEFAULT shall mean any event or condition which (a) with notice or passage of time, or any combination of the foregoing, would constitute an Event of Default, or (b) with respect to which this Agreement expressly provides that such event or condition will constitute an Event of Default upon a determination that it does so by the Administrative Agent or the Required Banks.

PRINCIPAL OFFICE shall mean the main banking office of the Administrative Agent in Columbus, Ohio.

PRIOR CREDIT AGREEMENT shall mean the Credit Agreement dated as of May 15, 1998, as amended, that provided for a revolving credit facility to the borrower not to exceed \$700,000,000.

PROHIBITED TRANSACTION shall mean any prohibited transaction as defined in Section 4975 of the Internal Revenue Code or Section 406 of ERISA for which (i) no statutory exemption exists, or (ii) neither an individual nor a class exemption has been issued by the United States Department of Labor.

PROPERTY shall mean all real property, both owned and leased, of any Loan Party or Subsidiary of a Loan Party.

PURCHASE MONEY SECURITY INTEREST shall mean Liens upon real or personal property securing loans to any Loan Party or Subsidiary of a Loan Party or deferred payments by such Loan Party or Subsidiary for the purchase of such real or personal property.

PURCHASING BANK shall mean a Bank which becomes a party to this Agreement by executing an Assignment and Assumption Agreement.

QUALIFIED DOCUMENTARY LETTER OF CREDIT BANK shall mean the Administrative Agent and any other Bank designated to issue Documentary Letters of Credit in a written notice by the Borrower accepted in writing by such other Bank to the Administrative Agent to which the Administrative Agent has not reasonably objected to a Bank's designation as such within five (5) Business Days of receipt of the Borrower's written notice of such designation and which designation has not been revoked in a written notice by the Borrower to the Administrative Agent, provided, however, that the Borrower may not have more than four (4) Banks so designated at any one time and the Borrower may not revoke such designation of a Bank so long as such Bank has Documentary Letters of Credit outstanding.

QUALIFIED INTEREST RATE PROTECTION AGREEMENT shall mean an interest rate protection agreement with a financial institution reasonably acceptable to the Administrative Agent for the sole purpose of hedging the Borrower's interest rate exposure (and not for speculation) with such terms and conditions as shall be reasonably acceptable to the Administrative Agent. Documentation for the Qualified Interest Rate Protection Agreement shall be in a standard International Swap Dealer Association Agreement, shall provide for the method of calculating the reimbursable amount of the provider's credit exposure in a reasonable and customary manner, shall be reasonably satisfactory to the Administrative Agent and shall not require that any collateral be provided as security for such agreement.

RATABLE SHARE shall mean the proportion that a Bank's total Commitment bears to the Aggregate Commitments.

REDUCTION DATE shall have the meaning assigned to that term in Section 2.11.2.

REGULATED SUBSTANCES shall mean, without limitation, any substance, material or waste, regardless of its form or nature, defined under Environmental Laws as a "hazardous substance," "pollutant," "pollution," "contaminant," "hazardous or toxic substance," "extremely hazardous substance," "toxic chemical," "toxic substance," "toxic waste," "hazardous waste," "special handling waste," "industrial waste," "residual waste," "solid waste," "municipal waste," "mixed waste," "infectious waste," "chemotherapeutic waste," "medical waste," or "regulated substance" or any other material, substance or waste, regardless of its form or nature, which otherwise is regulated by Environmental Laws.

REGULATION U shall mean Regulation U, T or X as promulgated by the Board of Governors of the Federal Reserve System, as amended from time to time.

REIMBURSEMENT OBLIGATION shall have the meaning assigned to such term in Section 2.10.3.2.

REPORTABLE EVENT shall mean a reportable event described in Section 4043 of ERISA and regulations thereunder with respect to a Plan or Multiemployer Plan.

REQUIRED BANKS shall mean

(i) if there are no Loans, Reimbursement Obligations or Letter of Credit Borrowings outstanding, Banks whose Commitments (excluding the Swing Loan Commitments) aggregate at least 51% of the Aggregate Commitments, or

(ii) if there are Loans, Reimbursement Obligations, or Letter of Credit Borrowings outstanding, any Bank or group of Banks if the sum of the Loans (excluding the Swing Loans), Reimbursement Obligations and Letter of Credit Borrowings of such Banks then outstanding aggregates at least 51% of the total principal amount of all of the Loans (excluding the Swing Loans), Reimbursement Obligations and Letter of Credit Borrowings then outstanding. Reimbursement Obligations and Letter of Credit Borrowings shall be deemed, for purposes of this definition, to be in favor of the applicable Issuing Letter of Credit Bank and not a participating Bank if such Bank has not made its Participation Advance in respect thereof and shall be deemed to be in favor of such Bank to the extent of its Participation Advance if it has made its Participation Advance in respect thereof.

REQUIRED ENVIRONMENTAL NOTICES shall mean all notices, reports, plans, forms or other filings which pursuant to Environmental Laws, Required Environmental Permits or at the request or direction of an Official Body either must be submitted to an Official Body or which otherwise must be maintained pursuant to applicable Environmental Laws and Required Environmental Permits.

REQUIRED ENVIRONMENTAL PERMITS shall mean all permits, licenses, bonds, consents, programs, approvals or authorizations required under Environmental Laws to own, occupy or maintain the Property or which otherwise are required for the operations and business activities of the Borrower or Guarantors.

REVOLVING CREDIT ALTERNATE BASE RATE OPTION shall mean the option of the Borrower to have Revolving Credit Loans bear interest at the rate and under the terms and conditions set forth in Section 3.1.1(i).

REVOLVING CREDIT COMMITMENT shall mean, as to any Bank at any time, the amount initially set forth opposite its name on SCHEDULE 1.1(B) in the column labeled "Amount of Commitment for Revolving Credit Loans," and thereafter on Schedule I to the most recent Assignment and Assumption Agreement, and REVOLVING CREDIT COMMITMENTS shall mean the aggregate Revolving Credit Commitments of all of the Banks.

REVOLVING CREDIT EURO-RATE OPTION shall mean the option of the Borrower to have Revolving Credit Loans bear interest at the rate and under the terms and conditions set forth in Section 3.1.1(ii).

REVOLVING CREDIT EXPIRATION DATE shall mean, with respect to the Revolving Credit Commitments, May 8, 2004.

REVOLVING CREDIT FACILITY FEE shall have the meaning assigned to that term in Section 2.4.

REVOLVING CREDIT LOANS shall mean collectively and REVOLVING CREDIT LOAN shall mean separately all Revolving Credit Loans or any Revolving Credit Loan made by the Banks or one of the Banks to the Borrower pursuant to Section 2.1 or 2.10.3.

REVOLVING CREDIT NOTES shall mean collectively and REVOLVING CREDIT NOTE shall mean separately all the Revolving Credit Notes of the Borrower in the form of EXHIBIT 1.1(R) evidencing the Revolving Credit Loans together with all amendments, extensions, renewals, replacements, refinancings or refundings thereof in whole or in part.

REVOLVING CREDIT RATABLE SHARE shall mean the proportion that a Bank's Revolving Credit Commitment bears to the Revolving Credit Commitments of all of the Banks.

REVOLVING FACILITY USAGE shall mean at any time the sum of the Revolving Credit Loans, the Swing Loans and the Letters of Credit Outstanding at such time.

ROLLOVER LCS shall mean all letters of credit which were issued by the Administrative Agent under the Prior Credit Agreement prior to the date hereof upon the application of the Borrower or one of its Subsidiaries and are outstanding on the Closing Date. The Rollover LCs are listed on SCHEDULE 1.1(R).

SECTION 20 SUBSIDIARY shall mean the Subsidiary of the bank holding company controlling any Bank, which Subsidiary has been granted authority by the Federal Reserve Board to underwrite and deal in certain Ineligible Securities.

SENIOR FUNDED DEBT shall mean consolidated Indebtedness.

SENIOR NOTE PAYMENT shall have the meaning assigned to such term in Section 7.2.16.

SENIOR NOTE PURCHASE AGREEMENT shall mean that certain Note Purchase Agreement dated as of May 1, 2001 providing for the issuance of the Senior Notes. SENIOR NOTES shall have the meaning assigned to such term in Section 6.1.13.

SETTLEMENT DATE shall have the meaning assigned to such term in Section 2.9.

SHARES shall have the meaning assigned to that term in Section 5.1.2.

STANDARD & POOR'S or S&P shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

STANDBY LETTER OF CREDIT shall have the meaning assigned to that term in Section 2.10.1.

STANDBY LETTER OF CREDIT OUTSTANDINGS shall mean at any time the sum of (i) the aggregate undrawn face amount of outstanding Standby Letters of Credit and (ii) without duplication, the aggregate amount of all unpaid and outstanding Reimbursement Obligations relating to Standby Letters of Credit.

SUBSIDIARY of any Person at any time shall mean (i) any corporation or trust of which 50% or more (by number of shares or number of votes) of the outstanding capital stock or shares of beneficial interest normally entitled to vote for the election of one or more directors or trustees (regardless of any contingency which does or may suspend or dilute the voting rights) is at such time owned directly or indirectly by such Person or one or more of such Person's Subsidiaries, (ii) any partnership of which such Person is a general partner or of which 50% or more of the partnership interests is at the time directly or indirectly owned by such Person or one or more of such Person's Subsidiaries, (iii) any limited liability company of which such Person is a member or of which 50% or more of the limited liability company interests is at the time directly or indirectly owned by such Person or one or more of such Person's Subsidiaries or (iv) any corporation, trust, partnership, limited liability company or other entity which is controlled or capable of being controlled by such Person or one or more of such Person's Subsidiaries.

SUBSIDIARY SHARES shall have the meaning assigned to that term in Section 5.1.3.

SWING LENDER shall mean National City Bank.

SWING LOAN COMMITMENT shall mean the Swing Lender's commitment to make Swing Loans to the Borrower pursuant to Section 2.1.2 hereof in an aggregate principal amount up to \$30,000,000.

SWING LOAN NOTE shall mean the Swing Loan Note of the Borrower in the form of EXHIBIT 1.1(S) evidencing the Swing Loans, together with all amendments, extensions, renewals, replacements, refinancings or refundings thereof in whole or in part.

SWING LOAN REQUEST shall mean a request for Swing Loans made in accordance with Section 2.5.2 hereof.

SWING LOANS shall mean collectively and SWING LOAN shall mean separately all Swing Loans or any Swing Loan made by the Swing Lender to the Borrower pursuant to Section 2.1.2 hereof.

SYNDICATION AGENT shall mean Fleet National Bank.

TEMPORARY AGGREGATE FACILITY USAGE LIMIT shall have the meaning assigned to such term in Section 4.5.4.

364-DAY LOAN ALTERNATE BASE RATE OPTION shall mean the option of the Borrower to have 364-Day Loans bear interest at the rate and under the terms and conditions set forth in Section 3.1.2(i).

364-DAY LOAN COMMITMENT shall mean, as to any Bank at any time, the amount initially set forth opposite its name on SCHEDULE 1.1(B) in the column labeled "Amount of Commitment for 364-Day Loans," and thereafter on Schedule I to the most recent Assignment and Assumption Agreement, and 364-DAY LOAN COMMITMENTS shall mean the aggregate 364-Day Loan Commitments of all of the Banks.

364-DAY LOAN EURO-RATE OPTION shall mean the option of the Borrower to have 364-Day Loans bear interest at the rate and under the terms and conditions set forth in Section 3.1.2(ii).

364-DAY LOAN EXPIRATION DATE shall mean, with respect to the 364-Day Loan Commitments, May 7, 2002, as the same may be extended pursuant to Section 2.11 [Extension by the Banks of the 364-Day Loan Expiration Date].

364-DAY LOAN FACILITY FEE shall have the meaning assigned to that term in Section 2.4.

364-DAY LOAN NOTES shall mean collectively and 364-DAY LOAN NOTE shall mean separately all of the 364-Day Loan Notes of the Borrower in the form of EXHIBIT 1.1(T) evidencing the 364-Day Loans together with all amendments, extensions, renewals, replacements, refinancings or refunds thereof in whole or in part.

364-DAY LOAN RATABLE SHARE shall mean the proportion that a Bank's 364-Day Loan Commitment bears to the 364-Day Loan Commitments of all of the Banks.

364-DAY LOANS shall mean collectively and 364-DAY LOAN shall mean separately all 364-Day Loans or any 364-Day Loan made by the Banks or one of the Banks to the Borrower pursuant to Section 2.2.

TRANSFEROR BANK shall mean the selling Bank pursuant to an Assignment and Assumption Agreement.

WITHHOLDING CERTIFICATE shall have the meaning assigned to such term in Section 10.17.

## 1.2 CONSTRUCTION.

Unless the context of this Agreement otherwise clearly requires, the following rules of construction shall apply to this Agreement and each of the other Loan Documents:

## 1.2.1. NUMBER; INCLUSION.

references to the plural include the singular, the plural, the part and the whole; "or" has the inclusive meaning represented by the phrase "and/or," and "including" has the meaning represented by the phrase "including without limitation";

## 1.2.2. DETERMINATION.

references to "determination" of or by the Administrative Agent or the Banks shall be deemed to include good-faith estimates by the Administrative Agent or the Banks (in the case of quantitative determinations) and good-faith beliefs by the Administrative Agent or the Banks (in the case of qualitative determinations) and such determination shall be conclusive absent manifest error;

## 1.2.3. ADMINISTRATIVE AGENT'S DISCRETION AND CONSENT.

whenever the Administrative Agent or the Banks are granted the right herein to act in its or their sole discretion or to grant or withhold consent such right shall be exercised in good faith;

## 1.2.4. DOCUMENTS TAKEN AS A WHOLE.

the words "hereof," "herein," "hereunder," "hereto" and similar terms in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document as a whole and not to any particular provision of this Agreement or such other Loan Document;

## 1.2.5. HEADINGS.

the section and other headings contained in this Agreement or such other Loan Document and the Table of Contents (if any), preceding this Agreement or such other Loan Document are for reference purposes only and shall not control or affect the construction of this Agreement or such other Loan Document or the interpretation thereof in any respect;

## 1.2.6. IMPLIED REFERENCES TO THIS AGREEMENT.

article, section, subsection, clause, schedule and exhibit references are to this Agreement or other Loan Document, as the case may be, unless otherwise specified;

## 1.2.7. PERSONS.

reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement or such other Loan Document, as the case may be, and reference to a Person in a particular capacity excludes such Person in any other capacity;

## 1.2.8. MODIFICATIONS TO DOCUMENTS.

reference to any agreement (including this Agreement and any other Loan Document together with the schedules and exhibits hereto or thereto), document or instrument means such agreement, document or instrument as amended, modified, replaced, substituted for, superseded or restated;

## 1.2.9. FROM, TO AND THROUGH.

relative to the determination of any period of time, "from" means "from and including," "to" means "to but excluding," and "through" means "through and including"; and

## 1.2.10. SHALL; WILL.

references to "shall" and "will" are intended to have the same meaning.

## 1.3 ACCOUNTING PRINCIPLES.

Except as otherwise provided in this Agreement, all computations and determinations as to accounting or financial matters and all financial statements to be delivered pursuant to this Agreement shall be made and prepared in accordance with GAAP (including principles of consolidation where appropriate), and all accounting or financial terms shall have the meanings ascribed to such terms by GAAP; PROVIDED, HOWEVER, that all accounting terms used in Section 7.2 [Negative Covenants] (and all defined terms used in the definition of any accounting term used in Section 7.2 shall have the meaning given to such terms (and defined terms) under GAAP as in effect on the date hereof applied on a basis consistent with those used in preparing the Annual Statements referred to in Section 5.1.9(i) [Annual Statements]). In the event of any change after the date hereof in GAAP, and if such change would result in the inability to determine compliance with the financial covenants set forth in Section 7.2 based upon the Borrower's regularly prepared financial statements by reason of the preceding sentence, then the parties hereto agree to endeavor, in good faith, to agree upon an amendment to this Agreement that would adjust such financial covenants in a manner that would not affect the substance thereof, but would allow compliance therewith to be determined in accordance with the Borrower's financial statements at that time.

## 2. REVOLVING CREDIT, 364-DAY AND SWING LOAN FACILITIES

### 2.1 REVOLVING CREDIT COMMITMENTS.

#### 2.1.1. REVOLVING CREDIT LOANS.

Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Bank severally agrees to make Revolving Credit Loans to the Borrower at any time or from time to time on or after the date hereof to the Revolving Credit Expiration Date; provided that after giving effect to such Revolving Credit Loan, (i) the aggregate amount of Revolving Credit Loans from such Bank shall not exceed such Bank's Revolving Credit Commitment minus such Bank's Revolving Credit Ratable Share of the Letters of Credit Outstanding, and (ii) the Revolving Facility Usage shall not exceed the Revolving Credit Commitments of all of the Banks. Within such limits of time and amount and subject to the other provisions of this Agreement, the Borrower may borrow, repay and reborrow pursuant to this Section 2.1.

#### 2.1.2. SWING LOAN COMMITMENT.

Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, and in order to facilitate loans and repayments between Settlement Dates, the Swing Lender may, at its option, cancelable at any time for any reason whatsoever, make swing loans (the "Swing Loans") to the Borrower at any time or from time to time after the date hereof to, but not including, the Revolving Credit Expiration Date, in an aggregate principal amount up to but not in excess of \$30,000,000 (the "Swing Loan Commitment"), provided that the Revolving Facility Usage shall not exceed the Revolving Credit Commitments of all the Banks. Within such limits of time and amount and subject to the other provisions of this Agreement, the Borrower may borrow, repay and reborrow pursuant to this Section 2.1.2.

### 2.2 364-DAY LOAN COMMITMENTS.

Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Bank severally agrees to make 364-Day Loans to the Borrower at any time or from time to time on or after the date hereof to the 364-Day Loan Expiration Date; provided that after giving effect to such 364-Day Loan, the aggregate amount of 364-Day Loans from such Bank shall not exceed such Bank's 364-Day Loan Commitment. Within such limits of time and amount and subject to the other provisions of this Agreement, the Borrower may borrow, repay and reborrow pursuant to this Section 2.2.

### 2.3 NATURE OF BANKS' OBLIGATIONS WITH RESPECT TO REVOLVING CREDIT LOANS AND 364-DAY LOANS.

Each Bank shall be obligated to participate in each request for Revolving Credit Loans pursuant to Section 2.5 [Loan Requests] in accordance with its Revolving Credit Ratable Share and for 364-Day Loans pursuant to such Section in accordance with its 364-Day Loan

Ratable Share. The aggregate amount of each Bank's Revolving Credit Loans outstanding hereunder to the Borrower at any time shall never exceed its Revolving Credit Commitment minus its Revolving Credit Ratable Share of the Letters of Credit Outstanding. The aggregate amount of each Bank's 364-Day Loans outstanding hereunder to the Borrower at any time shall never exceed its 364-Day Loan Commitment. The obligations of each Bank to make any Loans hereunder are several. The failure of any Bank to perform its obligations hereunder shall not affect the Obligations of the Borrower to any other party nor shall any other party be liable for the failure of such Bank to perform its obligations hereunder. The Banks shall have no obligation to make Revolving Credit Loans hereunder on or after the Revolving Credit Expiration Date or to make 364-Day Loans hereunder on or after the 364-Day Loan Expiration Date.

#### 2.4 FACILITY FEES.

##### 2.4.1. REVOLVING CREDIT FACILITY FEE

The Borrower agrees to pay to the Administrative Agent for the account of each Bank based on its Revolving Credit Ratable Share, as consideration for such Bank's Revolving Credit Commitment hereunder, a nonrefundable facility fee (the "Revolving Credit Facility Fee") at the times and in the amounts as follows:

(A) on the Closing Date in an amount equal to the product of the following: (i) a fraction equal to the number of days between the Closing Date and May 31, 2001, divided by 365, (ii) the Applicable Revolving Credit Facility Fee Rate as of such Closing Date, and (iii) the amount of such Bank's Revolving Credit Commitment (regardless of usage) as of the Closing Date, and

(B) on the first Business Day of each June, September, December and March after the Closing Date until the Revolving Credit Expiration Date in an amount equal to the product of the following: (i) 25%, (ii) the Applicable Revolving Credit Facility Fee Rate in effect on the due date of such payment, and (iii) the amount of such Bank's Revolving Credit Commitment (regardless of usage) as of the due date of such payment; except that the Revolving Credit Facility Fee on the last payment date prior to the Revolving Credit Expiration Date shall equal the product of the following: (i) a fraction equal to the number of days remaining in the quarter in which the Revolving Credit Expiration Date falls through the Revolving Credit Expiration Date divided by 365 or 366, as applicable, (ii) the Applicable Revolving Credit Facility Fee Rate in effect on the due date of such payment, and (iii) the amount of such Bank's Revolving Credit Commitment (regardless of usage) as of the due date of such payment.

##### 2.4.2. 364-DAY LOAN FACILITY FEE

The Borrower agrees to pay to the Administrative Agent for the account of each Bank based on its 364-Day Loan Ratable Share, as consideration for such Bank's 364-Day Loan Commitment hereunder, a nonrefundable facility fee (the "364-Day Loan Facility Fee") at the times and in the amounts as follows:

(A) on the Closing Date in an amount equal to the product of the following: (i) a fraction equal to the number of days between the Closing Date and May 31, 2001 divided by 365, (ii) the Applicable 364-Day Loan Facility Fee Rate as of such Closing Date, and (iii) the amount of such Bank's 364-Day Loan Commitment (regardless of usage) as of the Closing Date, and

(B) on the first Business Day of each June, September, December and March after the Closing Date until the 364-Day Loan Expiration Date in an amount equal to the product of the following: (i) 25%, (ii) the Applicable 364-Day Loan Facility Fee Rate in effect on the due date of such payment, and (iii) the amount of such Bank's 364-Day Loan Commitment (regardless of usage) as of the due date of such payment; except that the 364-Day Loan Facility Fee on the last payment date prior to the 364-Day Loan Expiration Date shall equal the product of the following: (i) a fraction equal to the number of days remaining in the quarter in which the 364-Day Loan Expiration Date falls through the 364-Day Loan Expiration Date divided by 365 or 366, as applicable, (ii) the Applicable 364-Day Loan Facility Fee Rate in effect on the due date of such payment, and (iii) the amount of such Bank's 364-Day Loan Commitment (regardless of usage) as of the due date of such payment.

## 2.5 LOAN REQUESTS.

### 2.5.1. REVOLVING CREDIT AND 364-DAY LOAN REQUESTS.

Except as otherwise provided herein, the Borrower may from time to time prior to the Revolving Credit Expiration Date request the Banks to make Revolving Credit Loans, and before the 364-Day Loan Expiration Date request the Banks to make 364-Day Loans, or renew or convert the Interest Rate Option applicable to existing Revolving Credit Loans or 364-Day Loans, by delivering to the Administrative Agent, not later than 2:00 p.m., Columbus time, (i) three (3) Business Days prior to the proposed Borrowing Date with respect to the making of Loans to which the Euro-Rate Option applies or the conversion to or the renewal of the Euro-Rate Option for any Loans; and (ii) one (1) Business Day prior to either the proposed Borrowing Date with respect to the making of a Loan to which the Alternate Base Rate Option applies or the last day of the preceding Interest Period with respect to the conversion to the Alternate Base Rate Option for any Loan, of a duly completed request therefor substantially in the form of EXHIBIT 2.5.1 or a request by telephone immediately confirmed in writing by letter, facsimile or telex in such form (each, a "Loan Request"), it being understood that the Administrative Agent may rely on the authority of any individual making such a telephonic request without the necessity of receipt of such written confirmation. Subject to the provisions of Section 3.4.3 [Administrative Agent's and Bank's Rights] hereof, each Loan Request shall be irrevocable and shall specify (i) whether the Loans are 364-Day Loans or Revolving Credit Loans, (ii) the proposed Borrowing Date; (iii) the aggregate amount of the proposed Loans comprising each Borrowing Tranche, which shall be in integral multiples of \$1,000,000 and not less than \$5,000,000 for each Borrowing Tranche to which the Euro-Rate Option applies and not less than the lesser of \$5,000,000 or the maximum amount available for Borrowing Tranches to which the Alternate Base Rate Option applies; (iv) whether the Euro-Rate Option or Alternate Base Rate Option shall apply to the proposed Loans comprising the applicable Borrowing

Tranche; and (v) in the case of a Borrowing Tranche to which the Euro-Rate Option applies, an appropriate Interest Period for the Loans comprising such Borrowing Tranche.

#### 2.5.2. SWING LOAN REQUESTS.

Except as otherwise provided herein, the Borrower may from time to time prior to the Revolving Credit Expiration Date request the Swing Lender to make Swing Loans by delivery to the Swing Lender not later than 12:00 p.m., Columbus time on the proposed Borrowing Date of a duly completed request therefor substantially in the form of EXHIBIT 2.5.2 hereto or a request by telephone immediately confirmed in writing by letter, facsimile or telex (each, a "Swing Loan Request"), it being understood that the Swing Lender may rely on the authority of any individual making such a telephonic request without the necessity of receipt of such written confirmation. Each Swing Loan Request shall be irrevocable and shall specify the proposed Borrowing Date and the principal amount of such Swing Loan, which shall be not less than \$100,000 and in integral multiples of \$100,000.

#### 2.6 MAKING REVOLVING CREDIT LOANS, 364-DAY LOANS AND SWING LOANS.

##### 2.6.1. MAKING REVOLVING CREDIT LOANS AND 364-DAY LOANS.

The Administrative Agent shall, promptly after receipt by it of a Loan Request pursuant to Section 2.5.1 [Revolving Credit and 364-Day Loan Requests], notify the Banks of its receipt of such Loan Request specifying: (i) the proposed Borrowing Date and the time and method of disbursement of the Revolving Credit Loans requested thereby; (ii) the amount of such Loan, whether such Loan is to be a Revolving Credit Loan or a 364-Day Loan and the applicable Interest Period (if any); and (iii) the apportionment among the Banks of such Loan as determined by the Administrative Agent in accordance with Section 2.3 [Nature of Banks' Obligations]. Each Bank shall remit the principal amount of each such Loan to the Administrative Agent such that the Administrative Agent is able to, and the Administrative Agent shall, to the extent the Banks have made funds available to it for such purpose and subject to Section 6.2 [Each Additional Loan], fund such Loans to the Borrower in U.S. Dollars and immediately available funds at the Principal Office prior to 2:00 p.m., Columbus time, on the applicable Borrowing Date, PROVIDED that if any Bank fails to remit such funds to the Administrative Agent in a timely manner, the Administrative Agent may elect in its sole discretion to fund with its own funds the applicable Loans of such Bank on such Borrowing Date, and such Bank shall be subject to the repayment obligation in Section 9.16 [Availability of Funds].

##### 2.6.2. MAKING SWING LOANS.

So long as the Swing Lender elects to make Swing Loans, the Swing Lender shall, after receipt by it of a Swing Loan Request pursuant to Section 2.5.2, fund such Swing Loan to the Borrower in U.S. Dollars and immediately available funds at the Principal Office prior to 2:00 p.m. Columbus time on the Borrowing Date.

## 2.7 NOTES.

## 2.7.1. REVOLVING CREDIT NOTES.

The Obligation of the Borrower to repay the aggregate unpaid principal amount of the Revolving Credit Loans made to it by each Bank, together with interest thereon, shall be evidenced by a Revolving Credit Note dated the Closing Date, substantially in the form attached hereto as EXHIBIT 1.1.(R) payable to the order of such Bank in a face amount equal to the Revolving Credit Commitment of such Bank. The Borrower shall repay in full all outstanding Revolving Credit Loans on the Revolving Credit Expiration Date (and at such other times as provided for herein), together with all accrued and unpaid interest thereon.

## 2.7.2. 364-DAY LOAN NOTES.

The Obligation of the Borrower to repay the aggregate unpaid principal amount of the 364-Day Loans made to it by each Bank, together with interest thereon, shall be evidenced by a 364-Day Loan Note dated the Closing Date, substantially in the form attached hereto as EXHIBIT 1.1(T) payable to the order of such Bank in a face amount equal to the 364-Day Loan Commitment of such Bank. The Borrower shall repay in full all outstanding 364-Day Loans on the 364-Day Loan Expiration Date (and at such other times as provided for herein), together with all accrued and unpaid interest thereon.

## 2.7.3. SWING LOAN NOTE.

The obligation of the Borrower to repay the unpaid principal amount of the Swing Loans made to it by the Swing Lender, together with interest thereon, shall be evidenced by a demand promissory note of the Borrower dated the Closing Date in substantially the form attached hereto as EXHIBIT 1.1(S) payable to the order of the Swing Lender in a face amount equal to the Swing Loan Commitment. The Borrower shall repay in full all outstanding Swing Loans on the Revolving Credit Expiration Date (and at such other times as provided for herein), together with all accrued and unpaid interest thereon.

## 2.8 USE OF PROCEEDS.

The proceeds of the Loans shall be used in accordance with the recitals and with Section 7.1.10 [Use of Proceeds].

## 2.9 REPAYMENT OF SWING LOANS WITH REVOLVING CREDIT LOANS BORROWINGS.

The Swing Lender may at its option, exercisable at any time for any reason whatsoever, and shall no later than the thirtieth (30th) day following the making of a Swing Loan on such date (a "Settlement Date"), demand repayment of such Swing Loan, and each Bank shall make a Revolving Credit Loan in an amount equal to such Bank's Revolving Credit Ratable Share of the aggregate principal amount of the outstanding Swing Loans for which repayment is demanded, plus, if the Swing Lender so requests, accrued interest thereon, provided that no Bank shall be obligated in any event to make Revolving Credit Loans in excess of its Revolving Credit

Commitment less its Revolving Credit Ratable Share of Letter of Credit Outstandings. In that event, such Revolving Credit Loans shall bear interest at the applicable rate under the Alternate Base Rate Option and shall be deemed to have been properly requested in accordance with Section 2.5.1 without regard to any of the requirements of that provision. The Swing Lender shall provide notice to the Administrative Agent (which may be a telephonic or written notice by letter, facsimile or telex) that such Revolving Credit Loans are to be made under this Section 2.9; the Administrative Agent shall then provide notice to the Banks (which may be a telephonic or written notice by letter, facsimile or telex) that such Revolving Credit Loans are to be made under this Section 2.9 and of the apportionment among the Banks. The Banks shall be unconditionally obligated to fund such Revolving Credit Loans (whether or not the conditions specified in Section 2.5.1 are then satisfied, including, without limitation, the existence or continuance of any Event of Default) by the time the Administrative Agent so requests, which shall not be earlier than 2:00 p.m. Columbus, Ohio time, on the Business Day next succeeding the date the Banks receive such notice from the Administrative Agent; and the Administrative Agent shall promptly deliver the funds it receives from the Banks to the Swing Lender.

## 2.10 LETTER OF CREDIT SUBFACILITY.

### 2.10.1. ISSUANCE OF LETTERS OF CREDIT.

The Loan Parties may request the issuance of (or modification of any issued) commercial letters of credit in connection with the Borrower's or any Subsidiary of the Borrower's purchase of goods and services (each a "Documentary Letter of Credit") and standby letters of credit for the benefit of workmen's compensation or liability insurers, state and federal agencies to assure compliance with applicable Laws and other Persons in support of refund, warranty or other obligations of the Borrower or a Subsidiary of the Borrower or any other legitimate purpose (each a "Standby Letter of Credit" and together with Documentary Letters of Credit referred to as "Letters of Credit" in the aggregate or individually as a "Letter of Credit") on behalf of itself or another Loan Party by delivering by no later than 10:00 a.m., Columbus, Ohio time, two (2) Business Days in the case of a Documentary Letter of Credit and three (3) Business Days in case of a Standby Letter of Credit prior to the requested date of issuance of such Letter of Credit to the applicable Issuing Letter of Credit Bank with a copy to the Administrative Agent a written notice specifying the face amount, proposed beneficiary, date of issuance and expiry date for such Letter of Credit or modification to an existing Letter of Credit and the nature of the transactions to be supported thereby. Subject to the terms and conditions hereof and to the execution of a completed application and agreement for letters of credit in such form as the Issuing Letter of Credit Bank may specify from time to time and in reliance on the agreements of the Banks set forth in this Section 2.10, the Issuing Letter of Credit Bank will issue a Letter of Credit; provided that each Letter of Credit shall (A) have a maximum maturity of 364 days from the date of issuance, (B) in no event expire later than five Business Days prior to the Revolving Credit Expiration Date and provided further that in no event shall (i) the Letter of Credit Outstandings exceed \$150,000,000, or (ii) the Revolving Facility Usage exceed, at any one time, the Revolving Credit Commitments. Each of the Rollover LC's which is a Standby Letter of Credit shall be deemed to have been issued hereunder on the Closing Date by the Administrative Agent. Each of the Rollover LC's shall be deemed to be a Letter of Credit for all purposes of this

Agreement. Each of the Rollover LC's which is a Documentary Letter of Credit shall be deemed to have been issued hereunder on the Closing Date by National City Bank as the Issuing Letter of Credit Bank. In the event of any conflict between the terms of this Agreement and the terms of the Issuing Letter of Credit Bank's application and agreement for letters of credit, the terms of this Agreement shall control (provided that terms of the Issuing Letter of Credit Bank's application and agreement for letters of credit which are in addition to those contained herein and which do not expressly conflict with the terms contained herein shall not be deemed to be in conflict with this Agreement).

#### 2.10.2. LETTER OF CREDIT FEES.

The Borrower shall pay to the Administrative Agent for the account of the Banks according to their Revolving Credit Ratable Shares (a) fees ("Documentary Letters of Credit Fees") with respect to Documentary Letters of Credit and (b) fees ("Standby Letters of Credit Fees") with respect to Standby Letters of Credit, in each case in the amounts set forth in Sections 2.10.2.1 and 2.10.2.2. All Documentary Letters of Credit Fees and Standby Letters of Credit Fees (collectively, "Letters of Credit Fees") shall be payable quarterly in arrears commencing with the first Business Day of each June, September, December and March following issuance of each Letter of Credit and on the earlier of the Revolving Credit Expiration Date or the acceleration of the Revolving Credit Notes.

##### 2.10.2.1 DOCUMENTARY LETTER OF CREDIT FEES.

Documentary Letters of Credit Fees on Documentary Letters of Credit shall be determined by multiplying .5 times the Applicable Margin then applicable to Revolving Credit Loans outstanding under the Revolving Credit Euro-Rate Option times the average daily Documentary Letter of Credit Outstandings.

The Borrower shall also pay Documentary Letters of Credit Fees in respect of Documentary Letter of Credit (Time Draft) Outstandings determined by multiplying the Applicable Margin then applicable to Revolving Credit Loans outstanding under the Revolving Credit Euro-Rate Option times the average daily Documentary Letter of Credit (Time Draft) Outstandings.

##### 2.10.2.2 STANDBY LETTER OF CREDIT FEES.

Standby Letters of Credit Fees shall be determined by multiplying the Applicable Margin then applicable to Revolving Credit Loans outstanding under the Revolving Credit Euro-Rate Option times the average daily Standby Letter of Credit Outstandings.

##### 2.10.2.3 FRONTING FEE.

The Borrower shall also pay to the Issuing Letter of Credit Bank for its sole account (i) a fronting fee as determined by the Issuing Letter of Credit Bank and the Borrower and (ii) the Issuing Letter of Credit Bank's then in effect customary issuance fees

and administrative expense payable with respect to its Standby Letters of Credit as the Issuing Letter of Credit Bank may generally charge or incur from time to time in connection with the issuance, maintenance, modification (if any), assignment or transfer (if any), negotiation, and administration of standby letters of credit payable at such times as the Issuing Letter of Credit Bank may specify.

#### 2.10.3. DISBURSEMENTS, REIMBURSEMENT.

2.10.3.1 Immediately upon the Issuance of each Letter of Credit, each Bank shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Issuing Letter of Credit Bank a participation in such Letter of Credit and each drawing thereunder in an amount equal to such Bank's Revolving Credit Ratable Share of the maximum amount available to be drawn under such Letter of Credit and the amount of such drawing, respectively.

2.10.3.2 In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, the Issuing Bank will promptly notify the Borrower and the Administrative Agent thereof and the Administrative Agent will promptly notify the Banks. Provided that it shall have received such notice by 10 a.m., Columbus, Ohio time, on the applicable Drawing Date (hereinafter defined), the Borrower shall reimburse (such obligation to reimburse the Issuing Letter of Credit Bank shall sometimes be referred to as a "Reimbursement Obligation") the Issuing Letter of Credit Bank by making payment to the Administrative Agent prior to 12:00 noon, Columbus time on each date that an amount is paid by the Issuing Letter of Credit Bank under any Letter of Credit (each such date, an "Drawing Date") in an amount equal to the amount so paid by the Issuing Letter of Credit Bank. In the event the Borrower fails to pay the Administrative Agent the full amount of any drawing under any Letter of Credit by 12:00 noon, Columbus time, on the Drawing Date, the Administrative Agent will promptly notify each Bank thereof, and the Borrower shall be deemed to have requested that Revolving Credit Loans be made by the Banks under the Alternate Base Rate Option to be disbursed on the Drawing Date under such Letter of Credit, subject to the amount of the unutilized portion of the Revolving Credit Commitment and subject to the conditions set forth in Section 6.2 [Each Additional Loan] other than any notice requirements. Any notice given by the Administrative Agent pursuant to this Section 2.10.3.2 may be oral if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

2.10.3.3 Each Bank shall upon any notice pursuant to Section 2.10.3.2 make available to the Administrative Agent an amount in immediately available funds equal to its Revolving Credit Ratable Share of the amount of the drawing, whereupon the Banks shall (subject to Section 2.10.3.4) each be deemed to have made a Revolving Credit Loan under the Alternate Base Rate Option to the Borrower in that amount. If any Bank so notified fails to make available to the Administrative Agent for the account of the Issuing Letter of Credit Bank the amount of such Bank's Revolving Credit Ratable Share of such amount by no later than 2:00 p.m., Columbus time on the Drawing Date, then interest shall accrue on such Bank's obligation to make such payment, from the Drawing Date to the date on which such Bank makes

such payment (i) at a rate per annum equal to the Federal Funds Effective Rate during the first three days following the Drawing Date and (ii) at a rate per annum equal to the rate applicable to Loans under the Revolving Credit Alternate Base Rate Option on and after the fourth day following the Drawing Date. The Issuing Letter of Credit Bank will promptly give notice of the occurrence of the Drawing Date, but failure of the Administrative Agent or the Issuing Letter of Credit Bank to give any such notice on the Drawing Date or in sufficient time to enable any Bank to effect such payment on such date shall not relieve such Bank from its obligations to fund under this Section 2.10.3.3 upon receipt of such notice.

2.10.3.4 With respect to any unreimbursed drawing that is not converted into Revolving Credit Loans under the Alternate Base Rate Option to the Borrower in whole or in part as contemplated by Section 2.10.3.2, because of the Borrower's failure to satisfy the conditions set forth in Section 6.2 [Each Additional Loan] other than any notice requirements or for any other reason, the Borrower shall be deemed to have incurred from the Issuing Letter of Credit Bank a borrowing (each a "Letter of Credit Borrowing") in the amount of such drawing. Such Letter of Credit Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the rate per annum applicable to the Revolving Credit Loans under the Alternate Base Rate Option. Each Bank's payment to the Administrative Agent pursuant to Section 2.10.3.3 shall be deemed to be a payment in respect of its participation in such Letter of Credit Borrowing and shall constitute a "Participation Advance" from such Bank in satisfaction of its participation obligation under this Section 2.10.3.

#### 2.10.4. REPAYMENT OF PARTICIPATION ADVANCES.

2.10.4.1 Upon (and only upon) receipt by the Administrative Agent for its account of immediately available funds from the Borrower (i) in reimbursement of any payment made by the Issuing Letter of Credit Bank under the Letter of Credit with respect to which any Bank has made a Participation Advance to the Administrative Agent, or (ii) in payment of interest on such a payment made by the Issuing Letter of Credit Bank under such a Letter of Credit, the Administrative Agent will pay to each Bank, in the same funds as those received by the Administrative Agent, the amount of such Bank's Revolving Credit Ratable Share of such funds, except the Administrative Agent shall deliver to the Issuing Letter of Credit Bank the amount of the Revolving Credit Ratable Share of such funds of any Bank that did not make a Participation Advance in respect of such payment by Administrative Agent.

2.10.4.2 If the Administrative Agent or the Issuing Bank is required at any time to return to any Loan Party, or to a trustee, receiver, liquidator, custodian, or any official in any Insolvency Proceeding, any portion of the payments made by any Loan Party to the Administrative Agent pursuant to Section 2.10.4.1 in reimbursement of a payment made under the Letter of Credit or interest or fee thereon, each Bank shall, on demand of the Administrative Agent, forthwith return to the Administrative Agent the amount of its Revolving Credit Ratable Share of any amounts so returned by the Administrative Agent plus interest thereon from the date such demand is made to the date such amounts are returned by such Bank to the Administrative Agent, at a rate per annum equal to the Federal Funds Effective Rate in effect from time to time.

## 2.10.5. DOCUMENTATION.

Each Loan Party agrees to be bound by the terms of the Issuing Letter of Credit Bank's application and agreement for letters of credit and the Issuing Letter of Credit Bank's written regulations and customary practices relating to letters of credit, though such interpretation may be different from such Loan Party's own. In the event of a conflict between such application or agreement and this Agreement, this Agreement shall govern. It is understood and agreed that, except in the case of gross negligence or willful misconduct, the Issuing Letter of Credit Bank shall not be liable for any error, negligence and/or mistakes, whether of omission or commission, in following any Loan Party's instructions or those contained in the Letters of Credit or any modifications, amendments or supplements thereto.

## 2.10.6. DETERMINATIONS TO HONOR DRAWING REQUESTS.

In determining whether to honor any request for drawing under any Letter of Credit by the beneficiary thereof, the Issuing Letter of Credit Bank shall be responsible only to determine that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit.

## 2.10.7. NATURE OF PARTICIPATION AND REIMBURSEMENT OBLIGATIONS.

Each Bank's obligation in accordance with this Agreement to make the Revolving Credit Loans or Participation Advances, as contemplated by Section 2.10.3, as a result of a drawing under a Letter of Credit, and the Obligations of the Borrower to reimburse the Issuing Letter of Credit Bank upon a draw under a Letter of Credit, shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Section 2.10 under all circumstances, including the following circumstances:

(i) any set-off, counterclaim, recoupment, defense or other right which such Bank may have against the Administrative Agent, Issuing Letter of Credit Bank, the Borrower or any other Person for any reason whatsoever;

(ii) the failure of any Loan Party or any other Person to comply, in connection with a Letter of Credit Borrowing, with the conditions set forth in Section 2.1 [Revolving Credit Commitments], 2.5 [Loan Requests], 2.5.2 [Making Revolving Credit Loans] or 6.2 [Each Additional Loan] or as otherwise set forth in this Agreement for the making of a Revolving Credit Loan, it being acknowledged that such conditions are not required for the making of a Letter of Credit Borrowing and the obligation of the Banks to make Participation Advances under Section 2.10.3;

(iii) any lack of validity or enforceability of any Letter of Credit;

(iv) the existence of any claim, set-off, defense or other right which any Loan Party or any Bank may have at any time against a beneficiary or any transferee of any Letter of Credit (or any Persons for whom any such transferee may be acting), the Administrative

Agent, Issuing Letter of Credit Bank or any Bank or any other Person or, whether in connection with this Agreement, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between any Loan Party or Subsidiaries of a Loan Party and the beneficiary for which any Letter of Credit was procured);

(v) any draft, demand, certificate or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect even if the Issuing Letter of Credit Bank has been notified thereof;

(vi) payment by the Issuing Letter of Credit Bank under any Letter of Credit against presentation of a demand, draft or certificate or other document which does not comply with the terms of such Letter of Credit;

(vii) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of any Loan Party or Subsidiaries of a Loan Party;

(viii) any breach of this Agreement or any other Loan Document by any party thereto;

(ix) the occurrence or continuance of an Insolvency Proceeding with respect to any Loan Party;

(x) the fact that an Event of Default or a Potential Default shall have occurred and be continuing;

(xi) the fact that the Revolving Credit Expiration Date shall have passed or this Agreement or the Commitments hereunder shall have been terminated; and

(xii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

#### 2.10.8. INDEMNITY.

In addition to amounts payable as provided in Section 9.5 [Reimbursement and Indemnification of Administrative Agent by the Borrower], the Borrower hereby agrees to protect, indemnify, pay and save harmless the Issuing Letter of Credit Bank from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable fees, expenses and disbursements of counsel and allocated costs of internal counsel) which the Issuing Letter of Credit Bank may incur or be subject to as a consequence, direct or indirect, of the issuance of any Letter of Credit, other than as a result of (A) the gross negligence or willful misconduct of the Issuing Letter of Credit Bank as determined by a final judgment of a court of competent jurisdiction or (B) the wrongful dishonor by the Issuing Letter of Credit Bank of a proper demand for payment made under any Letter of Credit, except if such dishonor resulted from any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government

or governmental authority (all such acts or omissions herein called "Governmental Acts").

#### 2.10.9. LIABILITY FOR ACTS AND OMISSIONS.

As between any Loan Party and the Issuing Letter of Credit Bank, such Loan Party assumes all risks of the acts and omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, the Issuing Letter of Credit Bank shall not be responsible for: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for an issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged (even if the Issuing Letter of Credit Bank shall have been notified thereof); (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) the failure of the beneficiary of any such Letter of Credit, or any other party to which such Letter of Credit may be transferred, to comply fully with any conditions required in order to draw upon such Letter of Credit or any other claim of any Loan Party against any beneficiary of such Letter of Credit, or any such transferee, or any dispute between or among any Loan Party and any beneficiary of any Letter of Credit or any such transferee; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (viii) any consequences arising from causes beyond the control of the Issuing Letter of Credit Bank, including any Governmental Acts, and none of the above shall affect or impair, or prevent the vesting of, any of the Issuing Letter of Credit Bank's rights or powers hereunder. Nothing in the preceding sentence shall relieve the Issuing Letter of Credit Bank from liability for the Issuing Letter of Credit Bank's gross negligence or willful misconduct in connection with actions or omissions described in such clauses (i) through (viii) of such sentence.

In furtherance and extension and not in limitation of the specific provisions set forth above, any action taken or omitted by the Issuing Letter of Credit Bank under or in connection with the Letters of Credit issued by it or any documents and certificates delivered thereunder, if taken or omitted in good faith, shall not put the Issuing Letter of Credit Bank under any resulting liability to the Borrower or any Bank.

#### 2.11 EXTENSION BY BANKS OF THE 364-DAY LOAN EXPIRATION DATE.

##### 2.11.1. REQUESTS; APPROVAL BY ALL BANKS.

Upon or promptly after delivery by the Borrower of the quarterly financial statements to be provided under Section 7.3.1 [Quarterly Financial Statements] for the fiscal

quarter ending on or about October 31, 2001 or for the third quarter of any subsequent fiscal year, the Borrower may request a 364-day extension of the 364-Day Loan Expiration Date by written notice to the Banks, and the Banks agree to respond to the Borrower's request for an extension by within sixty (60) days following receipt of the request; provided, however, that (1) Borrower shall not be permitted to extend the 364-Day Loan Expiration Date to a date which is after the Revolving Credit Expiration Date, and (2) the failure of any Bank to respond within such time period shall not in any manner constitute an agreement by such Bank to extend the 364-Day Loan Expiration Date. If all Banks elect to extend, the 364-Day Loan Expiration Date shall be extended for a period of 364 days. If one or more Banks decline to extend or do not respond to Borrower's request, the provisions of Section 2.11.2 shall apply.

#### 2.11.2. APPROVAL BY REQUIRED BANKS.

In the event that one or more Banks do not agree to extend the 364-Day Loan Expiration Date or do not respond to Borrower's request for an extension within the time required under Section 2.11.1 (each a "Non-Extending Bank"), but the Required Banks agree to such extension within such time then the Borrower shall have the rights specified in this Section 2.11.2. On or before March 15 of such year, the Borrower may elect to do either of the following with respect to each Non-Extending Bank:

(i) ASSIGNMENT OF LOANS. The Borrower or the Banks which have agreed to such extension within the time required under Section (each an "Extending Bank") may, with the prior written approval of the Borrower (if the arrangement is by the Banks) and the Administrative Agent, arrange to have one or more other banks (each an "Assignee Bank") purchase all of the outstanding Loans, if any, of any Non-Extending Bank and succeed to and assume the Commitments and all other rights, interests and obligations of the Non-Extending Bank under this Agreement and the other Loan Documents. Any such purchase and assumption shall be (1) pursuant to an Assignment and Assumption Agreement, (2) subject to and in accordance with Section 10.11 [Successors and Assigns], and (3) effective on the last day of the Interest Period if any Loans are outstanding under the Euro-Rate Option. The Borrower shall pay all amounts due and payable to any Non-Extending Bank whose Loans are purchased pursuant to this Section on the effective date of such Assignment and Assumption Agreement. In the event that the Administrative Agent shall be a Non-Extending Bank, any assignment of the Administrative Agent's Loans shall be subject to Section 9.14 [Successor Administrative Agent].

(ii) REDUCTION OF 364-DAY LOAN COMMITMENTS. The Borrower may elect to decrease the 364-Day Loan Commitments in the amount of the 364-Day Loan Commitments of all of the Non-Extending Banks whose Loans and Commitment are not purchased by successor Banks pursuant to clause (i) immediately above (each a "Non-Extending Bank Whose 364-Day Commitment is to be Terminated"). Any reduction in the 364-Day Loan Commitments pursuant to this clause (ii) shall be effective on the 364-Day Loan Expiration Date (the "Reduction Date") prior to its extension under this Section 2.11 and shall be simultaneous with the termination of the 364-Day Loan Commitment of each Non-Extending Bank Whose 364-Day Commitment is to be Terminated. The Borrower shall repay all of the 364-Day Loans of each Non-Extending Bank Whose 364-Day Commitment is to be Terminated on the Reduction

Date, subject to Section 4.6.2(i), in the event that the Borrower elects to reduce the 364-Day Loan Commitments pursuant to this Clause (ii).

The 364-Day Loan Expiration Date shall not be extended for any Bank unless either:

(1) on or before March 15 of such year the Loans and Commitments of all Non-Extending Banks are purchased by successor Banks pursuant to this Section or

(2) if such Loans and Commitments (described in clause (1) immediately above) are not all purchased on or before March 15 of such year, then

(A) on or before March 15 of such year, the Borrower shall have elected pursuant to this Section to reduce the 364-Day Loan Commitments in an amount equal to 364-Day Loan Commitments of each Non-Extending Bank Whose 364-Day Commitment is to be Terminated, and

(B) there shall exist no Event of Default on the effective date of such extension (i.e. on the 364-Day Loan Expiration Date prior to its extension) and if there exists an Event of Default on such date then the 364-Day Loan Expiration Date shall not be extended, and the Borrower shall repay all of the 364-Day Loans on such 364-Day Loan Expiration Date.

### 3. INTEREST RATES

#### 3.1 INTEREST RATE OPTIONS.

The Borrower shall pay interest in respect of the outstanding unpaid principal amount of the Loans as selected by it from the Alternate Base Rate Option or Euro-Rate Option set forth below applicable to the Loans, it being understood that, subject to the provisions of this Agreement, the Borrower may select different Interest Rate Options and different Interest Periods to apply simultaneously to the Loans comprising different Borrowing Tranches and may convert to or renew one or more Interest Rate Options with respect to all or any portion of the Loans comprising any Borrowing Tranche, PROVIDED that there shall not be at any one time outstanding more than ten (10) Borrowing Tranches in the aggregate among all of the Loans to which the Euro-Rate Option applies. If at any time the designated rate applicable to any Loan made by any Bank exceeds such Bank's highest lawful rate, the rate of interest on such Bank's Loan shall be limited to such Bank's highest lawful rate.

##### 3.1.1. REVOLVING CREDIT INTEREST RATE OPTIONS.

The Borrower shall have the right to select from the following Interest Rate Options applicable to the Revolving Credit Loans (subject to the provisions above regarding Swing Loans):

(i) REVOLVING CREDIT ALTERNATE BASE RATE OPTION: A fluctuating rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to the Alternate Base Rate plus the Applicable Margin, such interest rate to change automatically from time to time effective as of the effective date of each change in the Alternate Base Rate; or

(ii) REVOLVING CREDIT EURO-RATE OPTION: A rate per annum (computed on the basis of a year of 360 days and actual days elapsed) equal to the Euro-Rate plus the Applicable Margin.

### 3.1.2. 364-DAY LOAN INTEREST RATE OPTIONS.

The Borrower shall have the right to select from the following Interest Rate Options applicable to the 364-Day Loans:

(i) 364-DAY LOAN ALTERNATE BASE RATE OPTION: A fluctuating rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to the Alternate Base Rate plus the Applicable Margin, such interest rate to change automatically from time to time effective as of the effective date of each change in the Alternate Base Rate; or

(ii) 364-Day Loan EURO-RATE OPTION: A rate per annum (computed on the basis of a year of 360 days and actual days elapsed) equal to the Euro-Rate plus the Applicable Margin.

### 3.1.3. SWING LOAN INTEREST RATE OPTIONS.

Swing Loans shall bear interest in accordance with Section 3.1.1(i) [Revolving Credit Alternate Base Rate Option] except to the extent that the Swing Lender agrees in writing to a different rate of interest; provided, however, that any Swing Loans with respect to which the Swing Lender demands payment pursuant to Section 2.9 shall bear interest on and after such demand for payment in accordance with Section 3.1.1(i) [Revolving Credit Base Rate Option] notwithstanding any other interest rate agreed to by the Administrative Agent.

### 3.1.4. RATE QUOTATIONS.

The Borrower may call the Administrative Agent on or before the date on which a Loan Request is to be delivered to receive an indication of the rates then in effect, but it is acknowledged that such projection shall not be binding on the Administrative Agent or the Banks nor affect the rate of interest which thereafter is actually in effect when the election is made.

## 3.2 INTEREST PERIODS.

At any time when the Borrower shall select, convert to or renew a Euro-Rate Option, the Borrower shall notify the Administrative Agent thereof at least three (3) Business

Days prior to the effective date of such Euro-Rate Option by delivering a Loan Request. The notice shall specify an Interest Period during which such Interest Rate Option shall apply. Notwithstanding the preceding sentence, the following provisions shall apply to any selection of, renewal of, or conversion to a Euro-Rate Option:

3.2.1. AMOUNT OF BORROWING TRANCHE.

each Borrowing Tranche of Euro-Rate Loans shall be in integral multiples of \$1,000,000 and not less than \$5,000,000;

3.2.2. RENEWALS.

in the case of the renewal of a Euro-Rate Option at the end of an Interest Period, the first day of the new Interest Period shall be the last day of the preceding Interest Period, without duplication in payment of interest for such day.

3.3 INTEREST AFTER DEFAULT.

To the extent permitted by Law, upon the occurrence of an Event of Default and until such time such Event of Default shall have been cured or waived:

3.3.1. LETTER OF CREDIT FEES, INTEREST RATE.

the Letter of Credit Fees and the rate of interest for each Loan otherwise applicable pursuant to Section 2.10.2 [Letter of Credit Fees] or Section 3.1 [Interest Rate Options], respectively, shall be increased by 2.0% per annum; and

3.3.2. OTHER OBLIGATIONS.

each other Obligation hereunder if not paid when due shall bear interest at a rate per annum equal to the sum of the rate of interest applicable under the Revolving Credit Alternate Base Rate Option plus an additional 2.0% per annum from the time such Obligation becomes due and payable and until it is paid in full.

3.3.3. ACKNOWLEDGMENT.

The Borrower acknowledges that the increase in rates referred to in this Section 3.3 reflects, among other things, the fact that such Loans or other amounts have become a substantially greater risk given their default status and that the Banks are entitled to additional compensation for such risk; and all such interest shall be payable by Borrower upon demand by Administrative Agent.

### 3.4 EURO-RATE UNASCERTAINABLE; ILLEGALITY; INCREASED COSTS; DEPOSITS NOT AVAILABLE.

#### 3.4.1. UNASCERTAINABLE.

If on any date on which a Euro-Rate would otherwise be determined, the Administrative Agent shall have determined that:

(i) adequate and reasonable means do not exist for ascertaining such Euro-Rate, or

(ii) a contingency has occurred which materially and adversely affects the London interbank eurodollar market relating to the Euro-Rate, the Administrative Agent shall have the rights specified in Section 3.4.3.

#### 3.4.2. ILLEGALITY; INCREASED COSTS; DEPOSITS NOT AVAILABLE.

If at any time any Bank shall have determined that:

(i) the making, maintenance or funding of any Loan to which a Euro-Rate Option applies has been made impracticable or unlawful by compliance by such Bank in good faith with any Law or any interpretation or application thereof by any Official Body or with any request or directive of any such Official Body (whether or not having the force of Law), or

(ii) such Euro-Rate Option will not adequately and fairly reflect the cost to such Bank of the establishment or maintenance of any such Loan, or

(iii) after making all reasonable efforts, deposits of the relevant amount in Dollars for the relevant Interest Period for a Loan, or to banks generally, to which a Euro-Rate Option applies, respectively, are not available to such Bank with respect to such Loan, or to banks generally, in the interbank eurodollar market,

then the Administrative Agent and such Bank shall have the rights specified in Section 3.4.3.

#### 3.4.3. ADMINISTRATIVE AGENT'S AND BANK'S RIGHTS.

In the case of any event specified in Section 3.4.1 above, the Administrative Agent shall promptly so notify the Banks and the Borrower thereof, and in the case of an event specified in Section 3.4.2 above, such Bank shall promptly so notify the Administrative Agent and endorse a certificate to such notice as to the specific circumstances of such notice, and the Administrative Agent shall promptly send copies of such notice and certificate to the other Banks and the Borrower. Upon such date as shall be specified in such notice (which shall not be earlier than the date such notice is given), the obligation of (A) the Banks, in the case of such notice given by the Administrative Agent, or (B) such Bank, in the case of such notice given by such Bank, to allow the Borrower to select, convert to or renew a Euro-Rate Option shall be suspended until the Administrative Agent shall have later notified the Borrower, or such Bank shall have later notified the Administrative Agent, of the Administrative

Agent's or such Bank's, as the case may be, determination that the circumstances giving rise to such previous determination no longer exist. If at any time the Administrative Agent makes a determination under Section 3.4.1 and the Borrower has previously notified the Administrative Agent of its selection of, conversion to or renewal of a Euro-Rate Option and such Interest Rate Option has not yet gone into effect, such notification shall be deemed to provide for selection of, conversion to or renewal of the Alternate Base Rate Option otherwise available with respect to such Loans. If any Bank notifies the Administrative Agent of a determination under Section 3.4.2, the Borrower shall, subject to the Borrower's indemnification obligations under Section 4.6.2 [Indemnity], as to any Loan of the Bank to which a Euro-Rate Option applies, on the date specified in such notice either convert such Loan to the Alternate Base Rate Option otherwise available with respect to such Loan or prepay such Loan in accordance with Section 4.4 [Voluntary Prepayments]. Absent due notice from the Borrower of conversion or prepayment, such Loan shall automatically be converted to the Alternate Base Rate Option otherwise available with respect to such Loan upon such specified date.

### 3.5 SELECTION OF INTEREST RATE OPTIONS.

If the Borrower fails to select a new Interest Period to apply to any Borrowing Tranche of Loans under the Euro-Rate Option at the expiration of an existing Interest Period applicable to such Borrowing Tranche in accordance with the provisions of Section 3.2 [Interest Periods], the Borrower shall be deemed to have converted such Borrowing Tranche to the Revolving Credit Alternate Base Rate Option or 364-Day Loan Alternate Base Rate Option, as applicable, commencing upon the last day of the existing Interest Period.

### 4. PAYMENTS AND COMMITMENT REDUCTIONS

#### 4.1 PAYMENTS.

All payments and prepayments to be made in respect of principal, interest, Facility Fees, Letter of Credit Fees, Administrative Agent's Fee or other fees or amounts due from the Borrower hereunder shall be payable prior to 12:00 noon, Columbus time, on the date when due without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrower, and without set-off, counterclaim or other deduction of any nature, and an action therefor shall immediately accrue. Such payments shall be made to the Administrative Agent at the Principal Office for the account of the Swing Lender with respect to the Swing Loans (except that fronting fees on Letters of Credit shall be paid directly to the Issuing Bank) and for the ratable accounts of the Banks with respect to the Revolving Credit Loans or 364-Day Loans in U.S. Dollars and in immediately available funds, and the Administrative Agent shall promptly distribute such amounts to the Banks in immediately available funds, PROVIDED that in the event payments are received by 12:00 noon, Columbus time, by the Administrative Agent with respect to the Loans and such payments are not distributed to the Banks on the same day received by the Administrative Agent, the Administrative Agent shall pay the Banks the Federal Funds Effective Rate with respect to the amount of such payments for each day held by the Administrative Agent and not distributed to the Banks. The Administrative Agent's and each

Bank's statement of account, ledger or other relevant record shall, in the absence of manifest error, be conclusive as the statement of the amount of principal of and interest on the Loans and other amounts owing under this Agreement and shall be deemed an "account stated."

#### 4.2 PRO RATA TREATMENT OF BANKS.

Each borrowing of a Revolving Credit Loan and each reduction of the Revolving Credit Commitments shall be allocated to each Bank according to its Revolving Credit Ratable Share. Each borrowing of a 364-Day Loan and each reduction of the 364-Day Loan Commitments shall be allocated to each Bank according to its 364-Day Loan Ratable Share. Each selection of, conversion to or renewal of any Interest Rate Option and each payment or prepayment by the Borrower with respect to principal, interest, Facility Fees, Letter of Credit Fees, or other fees (except for the Administrative Agent's Fee) or amounts due from the Borrower hereunder to the Banks with respect to the Loans, shall (except as provided in Section 3.4.3 [Administrative Agent's and Bank's Rights] in the case of an event specified in Section 3.4 [Euro-Rate Unascertainable; Etc.], 4.4.2 [Replacement of a Bank] or 4.6 [Additional Compensation in Certain Circumstances]) be made in proportion to the applicable Loans outstanding from each Bank and, if no such Loans are then outstanding, in proportion to the Revolving Credit Ratable Share, 364-Day Loan Ratable Share of each Bank, or Ratable Share, as applicable. Notwithstanding any of the foregoing, each borrowing or payment or prepayment by the Borrower of principal, interest, fees or other amounts from the Borrower with respect to Swing Loans shall be made by or to the Swing Lender according to Section 2.

#### 4.3 INTEREST PAYMENT DATES.

Interest on Loans to which the Alternate Base Rate Option applies shall be due and payable in arrears on the first Business Day of each June, September, December and March after the date hereof and on the Revolving Credit Expiration Date with respect to Revolving Loans or 364-Day Loan Expiration Date with respect to 364-Day Loans or upon acceleration of the Notes. Interest on Loans to which the Euro-Rate Option applies shall be due and payable on the last day of each Interest Period for those Loans and, if such Interest Period is longer than three (3) Months, also on the 90th day of such Interest Period. Interest on mandatory prepayments of principal under Section 4.5.2 [Mandatory Reduction of Commitments Upon a Prepayment of the Senior Notes, Material Recovery Event, Sale of Assets or Issuance of Debt] shall be due on the date such mandatory prepayment is due. Interest on the principal amount of each Loan or other monetary Obligation shall be due and payable on demand after such principal amount or other monetary Obligation becomes due and payable (whether on the stated maturity date, upon acceleration or otherwise).

#### 4.4 VOLUNTARY PREPAYMENTS.

##### 4.4.1. RIGHT TO PREPAY.

The Borrower shall have the right at its option from time to time to prepay the Loans in whole or part without premium or penalty (except as provided in Section 4.4.2

[Replacement of a Bank] below or in Section 4.6 [Additional Compensation in Certain Circumstances]]):

(i) at any time with respect to any Loan to which the Alternate Base Rate Option applies,

(ii) on the last day of the applicable Interest Period with respect to Loans to which a Euro-Rate Option applies,

(iii) on the date specified in a notice by any Bank pursuant to Section 3.4 [Euro-Rate Unascertainable, Etc.] with respect to any Loan to which a Euro-Rate Option applies.

Whenever the Borrower desires to prepay any part of the Loans, it shall provide a prepayment notice to the Administrative Agent by noon at least one (1) Business Day prior to the date of prepayment of the Revolving Credit Loans or 364-Day Loans or no later than 11:00 am, Columbus time, on the date of prepayment of Swing Loans, setting forth the following information:

(x) the date, which shall be a Business Day, on which the proposed prepayment is to be made;

(y) a statement indicating the application of the prepayment between the Swing Loans, Revolving Credit Loans and 364-Day Loans; and

(z) the total principal amount of such prepayment, which shall not be less than the lesser of \$1,000,000 or the total outstanding amount of such Loan.

All prepayment notices shall be irrevocable. The principal amount of the Loans for which a prepayment notice is given, together with interest on such principal amount except with respect to Loans to which the Alternate Base Rate Option applies, shall be due and payable on the date specified in such prepayment notice as the date on which the proposed prepayment is to be made. Except as provided in Section 3.4.3 [Administrative Agent's and Bank's rights], if the Borrower prepays a Loan but fails to specify the applicable Borrowing Tranche which the Borrower is prepaying, the prepayment shall be applied (i) first to 364-Day Loans and then to Revolving Credit Loans; and (ii) after giving effect to the allocations in clause (i) above and in the preceding sentence, first to Loans to which the Alternate Base Rate Option applies, then to Loans to which the Euro-Rate Option applies. Any prepayment hereunder shall be subject to the Borrower's Obligation to indemnify the Banks under Section 4.6.2 [Indemnity].

#### 4.4.2. REPLACEMENT OF A BANK.

In the event any Bank (i) gives notice under Section 3.4 [Euro-Rate Unascertainable, Etc.] or Section 4.6.1 [Increased Costs, Etc.], (ii) does not fund Revolving Credit Loans because the making of such Loans would contravene any Law applicable to such Bank, or (iii) becomes subject to the control of an Official Body (other than normal and

customary supervision), then the Borrower shall have the right at its option, with the consent of the Administrative Agent, which shall not be unreasonably withheld, to prepay the Loans of such Bank in whole, together with all interest accrued thereon, and terminate such Bank's Commitment within ninety (90) days after (x) receipt of such Bank's notice under Section 3.4 [Euro-Rate Unascertainable, Etc.] or 4.6.1 [Increased Costs, Etc.], (y) the date such Bank has failed to fund Revolving Credit Loans because the making of such Loans would contravene Law applicable to such Bank, or (z) the date such Bank became subject to the control of an Official Body, as applicable; PROVIDED that the Borrower shall also pay to such Bank at the time of such prepayment any amounts required under Section 4.6 [Additional Compensation in Certain Circumstances] and any accrued interest due on such amount and any related fees; PROVIDED, however, that the Commitments of such Bank shall be provided by one or more of the remaining Banks or a replacement bank acceptable to the Administrative Agent; PROVIDED, further, the remaining Banks shall have no obligation hereunder to increase their Commitments. Notwithstanding the foregoing, the Administrative Agent may only be replaced subject to the requirements of Section 9.14 [Successor Administrative Agent] and PROVIDED that all Letters of Credit which have been issued by the Administrative Agent have expired or been terminated or replaced.

#### 4.4.3. CHANGE OF LENDING OFFICE.

Each Bank agrees that upon the occurrence of any event giving rise to increased costs or other special payments under Section 3.4.2 [Illegality, Etc.] or 4.6.1 [Increased Costs, Etc.] with respect to such Bank, it will if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Bank) to designate another lending office for any Loans or Letters of Credit affected by such event, PROVIDED that such designation is made on such terms that such Bank and its lending office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of such Section. Nothing in this Section 4.4.3 shall affect or postpone any of the Obligations of the Borrower or any other Loan Party or the rights of the Administrative Agent or any Bank provided in this Agreement.

#### 4.5 REDUCTION OF COMMITMENTS; TEMPORARY FACILITY USAGE LIMITATION.

##### 4.5.1. VOLUNTARY REDUCTION OF REVOLVING CREDIT COMMITMENTS OR 364-DAY LOAN COMMITMENTS.

The Borrower shall have the right at any time and from time to time upon not less than three (3) Business Days' prior written notice to the Banks to permanently reduce, or terminate the Revolving Credit Commitments or the 364-Day Loan Commitments, without penalty or premium, except as hereinafter set forth, provided that any such reduction or termination of the Revolving Credit Commitments shall be in whole multiples of \$10,000,000 and any such reduction or termination of the 364-Day Loan Commitments shall be in whole multiples of \$10,000,000.

4.5.2. MANDATORY REDUCTION OF COMMITMENTS UPON A  
PREPAYMENT OF THE SENIOR NOTES, MATERIAL RECOVERY EVENT, SALE  
OF ASSETS OR ISSUANCE OF DEBT.

4.5.2.1 PREPAYMENT OF THE SENIOR NOTES.

The Commitments shall be reduced, and the Borrower shall make a prepayment of the Loans, if at any time Loan Parties or their Subsidiaries shall make a Senior Note Payment as described in Section 7.2.16 [Limitation on Prepayment of Debt]. Such repayment of the Loans (the "Credit Agreement Repayment") shall equal (A) the amount of such Senior Note Payment multiplied by (B) a fraction the numerator of which is the Banks' Ratable Share of the Senior Credit Outstandings and the denominator of which is the difference between 1.0 and the Banks' Ratable Share of the Senior Credit Outstandings. Such reduction of Commitments shall equal the product of (A) the Banks' Ratable Share of the Senior Credit Committed Amounts times (B) the sum of the amount of such Senior Note Payment plus the Credit Agreement Repayment.

4.5.2.2 MATERIAL RECOVERY EVENT.

The Commitments shall be reduced, and the Borrower shall make a prepayment of the Loans, if at any time Loan Parties or their Subsidiaries shall receive proceeds from insurance, litigation awards or any other third sources in connection with property or other losses, injuries or other claims (each a "Material Recovery Event"), excluding any such proceeds received for losses of property which are reinvested in the purchase of comparable property assets within one (1) year of receipt of such proceeds. Such reduction and such prepayment each shall be in the amount equal to the amount of such proceeds which are not so reinvested.

4.5.2.3 SALE OF ASSETS OR ISSUANCE OF DEBT.

The Commitments shall be reduced and the Loans prepaid if at any time the Net Proceeds (as defined below) received by the Loan Parties and their Subsidiaries exceeds the Permitted Level (as defined below).

"Net Proceeds" shall mean the aggregate of the (after tax, if applicable, and deduction for all reasonable costs and expenses) proceeds (the "Net Proceeds") received by the Loan Parties or their Subsidiaries from transactions described in clauses (i) or (ii) below after the Closing Date:

(i) Indebtedness incurred by the Loan Parties or their Subsidiaries pursuant to Section 7.2.1(vii) less the amount of any reductions in the Commitments which have occurred between the Closing Date and the date of determination if such reductions are (1) voluntary reductions, or (2) reductions resulting from the expiration of the 364-Day Loan Commitment, and

(ii) sales or other dispositions by the Loan Parties or their Subsidiaries pursuant to Section 7.2.7(vi), less any Net Proceeds from such sale or disposition which are reinvested in the purchase of comparable assets within one (1) year of receipt of such Net Proceeds.

"Permitted Level" shall mean at any time the sum of (1) 6% times the net book value of the consolidated assets of the Loan Parties and their Subsidiaries as measured on the annual financial statements delivered most recently by the Loan Parties pursuant to Section 7.3.2, plus (2) the amount of any reduction of the Commitments previously made pursuant to this Section 4.5.2.3.

The Commitments shall be reduced and the Loans prepaid pursuant to this Section 4.5.2.3:

(1) at any time Net Proceeds are received which cause the cumulative aggregate of such items to exceed the Permitted Level,

(A) if the Loan Parties are simultaneously required to offer to prepay the Senior Notes pursuant to Section 10.5 of the Senior Note Agreement [Sales of Assets] in connection with the receipt of such Net Proceeds,

(I) the Commitments shall be reduced in an amount equal to greater of (i) the product of Banks' Ratable Share of the Senior Credit Committed Amounts times such excess or (ii) the amount of such excess less the amount of the repayment which the Loan Parties actually make (as opposed to the amount which the Loan Parties offer to make) on the Senior Notes in connection with such sale of assets, and

(II) the Borrower shall repay the Loans in an amount equal to the greater of (i) Banks' Ratable Share of the Senior Credit Outstandings times such excess over the Permitted Level or (ii) the amount of such excess less the amount of the repayment which the Loan Parties actually make (as opposed to the amount which the Loan Parties offer to make) on the Senior Notes in connection with such sale of assets, and (B) if the Loan Parties are not simultaneously required to offer to prepay the Senior Notes pursuant to Section 10.5 of the Senior Note Agreement [Sales of Assets] in connection with the receipt of such Net Proceeds, the Commitments and the Loan shall be repaid in an amount equal to such excess over the Permitted Level.

(2) on the date of delivery (or due date for such delivery if such due date is earlier) of the annual financial statements of the Loan Parties pursuant to Section 7.3.2 if as a result thereof the Permitted Level decreases and on such date the cumulative amount of Net Proceeds then exceeds the Permitted Level, in which case such reduction shall equal the amount of such excess.

4.5.2.4 PROVISIONS APPLICABLE TO PREPAYMENT OF THE SENIOR NOTES, MATERIAL RECOVERY EVENTS, SALE OF ASSETS AND ISSUANCE OF DEBT.

Any reduction in the Commitments and repayment of the Loans pursuant to either Section 4.5.2.1 [Prepayment of the Senior Notes], 4.5.2.2 [Material Recovery Events] or 4.5.2.3 [Sale of Assets or Issuance of Debt] shall be allocated ratably to the 364-Day Loan Commitment and the Revolving Credit Commitment based on the amounts of such Commitments then outstanding and to the 364-Day Loans and the Revolving Credit Loans based on the amounts of such Loans then outstanding.

4.5.3. PROVISIONS APPLICABLE TO EITHER MANDATORY OR VOLUNTARY REDUCTIONS OF COMMITMENTS.

The Borrower will comply with this Section in connection with any voluntary or mandatory reduction of Commitments described in Section 4.5.1 or 4.5.2. Any such reduction shall be accompanied by prepayment of the applicable Notes (i) to the extent of the Net Proceeds in the case of a mandatory reduction described in Section 4.5.2 or (ii) to the extent that the 364-Day Loans exceeds the 364-Day Loan Commitment or the Revolving Credit Loans exceeds the Revolving Credit Commitment, as applicable, in the case of a voluntary prepayment described in Section 4.5.1. If the Borrower is reducing the Revolving Credit Commitments, the Borrower shall deposit in a non-interest bearing account (provided that with the consent of the Administrative Agent, such consent not to be unreasonably withheld, such account may be an interest bearing account) with the Administrative Agent, as cash collateral for its Obligations in respect of the Letters of Credit and related applications and agreements, an amount equal to the maximum amount currently or at any time thereafter available to be drawn on all outstanding Letters of Credit, and the Borrower hereby pledges to the Administrative Agent and the Banks, and grants to the Administrative Agent and the Banks a security interest in, all such cash as security for such Obligations, to the extent that the Revolving Facility Usage then exceeds the Revolving Credit Commitments as so reduced or terminated. From time to time and upon request of the Borrower, the Administrative Agent shall return to the Borrower any excess of the amount held in such account over the amount by which the Revolving Facility Usage then exceeds the Revolving Credit Commitments.

4.5.4. TEMPORARY FACILITY USAGE LIMITATION FROM JANUARY 1 THROUGH MARCH 1 OF EACH YEAR.

During at least 30 consecutive days beginning and ending during the period beginning January 1 and ending March 1 of each year beginning January 1, 2002 the Borrower shall cause the amount of the Aggregate Facility Usage to be less than or equal to the amount set forth in the grid below (the "Temporary Aggregate Facility Usage Limit").

PERIOD -----	TEMPORARY AGGREGATE FACILITY USAGE LIMIT -----
January 1, 2002 through March 1, 2002	\$150,000,000

January 1, 2003 through March 1, 2003 and January 1  
through March 1 of each year after 2003

\$125,000,000

The Borrower shall make a mandatory prepayment of the Loans on the date which is 30 days prior to March 1 of each year to the extent that the Aggregate Facility Usage exceeds the Temporary Aggregate Facility Usage Limit on such date, and the Borrower has not previously met this requirement in that fiscal year.

#### 4.5.5. APPLICATION AMONG INTEREST RATE OPTIONS.

Any prepayment of the Loans required pursuant to this Section 4.5 shall first be applied among the Interest Rate Options to the principal amount of the Loans subject to the Alternate Base Rate Option, then to Loans subject to a Euro-Rate Option. In accordance with Section 4.6.2 [Indemnity], the Borrower shall indemnify the Banks for any loss or expense, including loss of margin, incurred with respect to any such prepayments applied against Loans subject to a Euro-Rate Option on any day other than the last day of the applicable Interest Period.

#### 4.6 ADDITIONAL COMPENSATION IN CERTAIN CIRCUMSTANCES.

##### 4.6.1. INCREASED COSTS OR REDUCED RETURN RESULTING FROM TAXES, RESERVES, CAPITAL ADEQUACY REQUIREMENTS, EXPENSES, ETC.

If any Law, guideline or interpretation or any change in any Law, guideline or interpretation or application thereof by any Official Body charged with the interpretation or administration thereof or compliance with any request or directive (whether or not having the force of Law) of any central bank or other Official Body:

(i) subjects any Bank to any tax or changes the basis of taxation with respect to this Agreement, the Notes, the Loans, the Letters of Credit or payments by the Borrower of principal, interest, Facility Fees, or other amounts due from the Borrower hereunder or under the Notes (except for taxes on the overall net income of such Bank),

(ii) imposes, modifies or deems applicable any reserve, special deposit or similar requirement against credits or commitments to extend credit extended by, or assets (funded or contingent) of, deposits with or for the account of, or other acquisitions of funds by, any Bank, or

(iii) imposes, modifies or deems applicable any capital adequacy or similar requirement (A) against assets (funded or contingent) of, or letters of credit, other credits or commitments to extend credit extended by, any Bank, or (B) otherwise applicable to the obligations of any Bank under this Agreement,

and the result of any of the foregoing is to increase the cost to, reduce the income receivable by, or impose any expense (including loss of margin) upon any Bank with respect to this Agreement, the Notes or the making, maintenance or funding of any part of the Loans or the Letters of Credit (or, in the case of any capital adequacy or similar requirement, to have the effect of reducing the rate of return on any Bank's capital, taking into consideration such Bank's customary policies with respect to capital adequacy) by an amount which such Bank in its reasonable discretion deems to be material, such Bank shall from time to time notify the Borrower and the Administrative Agent of the amount determined in good faith (using any averaging and attribution methods employed in good faith) by such Bank to be necessary to compensate such Bank for such increase in cost, reduction of income, additional expense or reduced rate of return. Such notice shall set forth in reasonable detail the basis for such determination. Such amount shall be due and payable by the Borrower to such Bank ten (10) Business Days after such notice is given.

#### 4.6.2. INDEMNITY.

In addition to the compensation required by Section 4.6.1 [Increased Costs, Etc.], the Borrower shall indemnify each Bank against all liabilities, losses or expenses (including loss of margin, any loss or expense incurred in liquidating or employing deposits from third parties and any loss or expense incurred in connection with funds acquired by a Bank to fund or maintain Loans subject to a Euro-Rate Option) which such Bank sustains or incurs as a consequence of any

(i) payment, prepayment, conversion or renewal of any Loan to which a Euro-Rate Option applies on a day other than the last day of the corresponding Interest Period (whether or not such payment or prepayment is mandatory, voluntary or automatic and whether or not such payment or prepayment is then due),

(ii) attempt by the Borrower to revoke (expressly, by later inconsistent notices or otherwise) in whole or part any Loan Requests under Section 2.5 [Loan Requests] or Section 3.2 [Interest Periods] or notice relating to prepayments under Section 4.4 [Voluntary Prepayments], or

(iii) default by the Borrower in the performance or observance of any covenant or condition contained in this Agreement or any other Loan Document, including any failure of the Borrower to pay when due (by acceleration or otherwise) any principal, interest, Facility Fee or any other amount due hereunder.

If any Bank sustains or incurs any such loss or expense, it shall from time to time notify the Borrower of the amount determined in good faith by such Bank (which determination may include such assumptions, allocations of costs and expenses and averaging or attribution methods as such Bank shall deem reasonable) to be necessary to indemnify such Bank for such loss or expense. Such notice shall set forth in reasonable detail the basis for such determination. Such amount shall be due and payable by the Borrower to such Bank ten (10) Business Days after such notice is given.

## 5. REPRESENTATIONS AND WARRANTIES

## 5.1 REPRESENTATIONS AND WARRANTIES.

The Loan Parties, jointly and severally, represent and warrant to the Administrative Agent and each of the Banks as follows:

## 5.1.1. ORGANIZATION AND QUALIFICATION.

Each Loan Party and each Subsidiary of any Loan Party is a corporation or partnership, duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. Each Loan Party and each Subsidiary of any Loan Party has the lawful power to own or lease its properties and to engage in the business it presently conducts or proposes to conduct. Each Loan Party and each Subsidiary of any Loan Party on the Closing Date is listed on SCHEDULE 5.1.1. Each Loan Party is duly licensed or qualified and in good standing in each jurisdiction where the property owned or leased by it or the nature of the business transacted by it or both makes such licensing or qualification necessary, except for failures to be duly licensed or qualified which are not materially adverse to the Loan Parties, and upon request of the Administrative Agent, the Borrower will promptly furnish a written list of every jurisdiction where each Subsidiary and Loan Party is so qualified.

## 5.1.2. CAPITALIZATION AND OWNERSHIP.

All of the authorized capital stock of the Company, and the shares (referred to herein as the "Shares") of the Company that are issued and outstanding have been validly issued and are fully paid and nonassessable. There are no options, warrants or other rights outstanding to purchase any such shares except as indicated on SCHEDULE 5.1.2.

## 5.1.3. SUBSIDIARIES.

SCHEDULE 5.1.3 states the name of each of the Borrower and each of the Company's other Subsidiaries which are Guarantors, its jurisdiction of incorporation, its authorized capital stock, the issued and outstanding shares (referred to herein as the "Subsidiary Shares") and the owners thereof if it is a corporation, its outstanding partnership interests (the "Partnership Interests") if it is a partnership and its outstanding limited liability company interests (the "LLC Interests") if it is a limited liability company. The Company and each such Subsidiary of the Company has good and marketable title to all of the Subsidiary Shares, Partnership Interests and LLC Interests it purports to own, free and clear in each case of any Lien other than Permitted Liens. All Subsidiary Shares, Partnership Interests and LLC Interests have been validly issued, and all Subsidiary Shares are fully paid and nonassessable. All capital contributions and other consideration required to be made or paid in connection with the issuance of the Partnership Interests and LLC Interests have been made or paid, as the case may be. There are no options, warrants or other rights outstanding to purchase any such Subsidiary Shares, Partnership Interests or LLC Interests except as indicated on SCHEDULE 5.1.3.

## 5.1.4. POWER AND AUTHORITY.

Each Loan Party has full power to enter into, execute, deliver and carry out this Agreement and the other Loan Documents to which it is a party, to incur the Indebtedness contemplated by the Loan Documents and to perform its Obligations under the Loan Documents to which it is a party, and all such actions have been duly authorized by all necessary proceedings on its part.

## 5.1.5. VALIDITY AND BINDING EFFECT.

This Agreement has been duly and validly executed and delivered by each Loan Party, and each other Loan Document which any Loan Party is required to execute and deliver on or after the date hereof will have been duly executed and delivered by such Loan Party on the required date of delivery of such Loan Document. This Agreement and each other Loan Document constitutes, or will constitute, legal, valid and binding obligations of each Loan Party which is or will be a party thereto on and after its date of delivery thereof, enforceable against such Loan Party in accordance with its terms, except to the extent that enforceability of any of such Loan Document may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforceability of creditors' rights generally or limiting the right of specific performance and general concepts of equity.

## 5.1.6. NO CONFLICT.

Neither the execution and delivery of this Agreement or the other Loan Documents by any Loan Party nor the consummation of the transactions herein or therein contemplated or compliance with the terms and provisions hereof or thereof by any of them will conflict with, constitute a default under or result in any breach of (i) the terms and conditions of the certificate of incorporation, bylaws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company agreement or other organizational documents of any Loan Party or (ii) any material Law or any material agreement or instrument or order, writ, judgment, injunction or decree to which any Loan Party or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or to which it is subject, or result in the creation or enforcement of any Lien, charge or encumbrance whatsoever upon any property (now or hereafter acquired) of any Loan Party or any of its Subsidiaries.

## 5.1.7. LITIGATION.

There are no actions, suits, proceedings or investigations pending or, to the knowledge of any Loan Party, threatened against such Loan Party or any Subsidiary of such Loan Party at law or equity before any Official Body which individually or in the aggregate would reasonably be expected result in any Material Adverse Change. None of the Loan Parties or any Subsidiaries of any Loan Party is in violation of any order, writ, injunction or any decree of any Official Body which would reasonably be expected to result in any Material Adverse Change. The Loan Parties have made adequate reserves for the New York Potential Tax Claim and such

claim does not constitute a Material Adverse Change. SCHEDULE 5.1.7 correctly describes the New York Potential Tax Claim and the current status thereof.

#### 5.1.8. TITLE TO PROPERTIES.

The real property owned by each Loan Party and each Subsidiary of each Loan Party is described on SCHEDULE 5.1.8. Each Loan Party and each Subsidiary of each Loan Party has good and marketable title to or valid leasehold interest in all properties, assets and other rights which it purports to own or lease or which are reflected as owned or leased on its books and records, free and clear of all Liens and encumbrances except Permitted Liens, and subject to the terms and conditions of the applicable leases. All leases of property are in full force and effect in all material respects without the necessity for any consent which has not previously been obtained upon consummation of the transactions contemplated hereby.

#### 5.1.9. FINANCIAL STATEMENTS.

(i) ANNUAL STATEMENTS. The Borrower has delivered to the Administrative Agent copies of the Company's audited consolidated year-end financial statements for and as of the end of the three fiscal years ended February 3, 2001 (the "Annual Statements"). The Annual Statements were compiled from the books and records maintained by the Company's management, fairly represent in all material respects the consolidated financial condition of the Company and its Subsidiaries as of their dates and the results of operations for the fiscal periods then ended and have been prepared in accordance with GAAP consistently applied.

(ii) FINANCIAL PROJECTIONS. The Borrower has delivered to the Administrative Agent financial projections of the Company and its Subsidiaries for the period from 2001 through 2005 derived from various assumptions of the Borrower's management (the "Financial Projections"). The Financial Projections represent a reasonable range of possible results in light of the history of the business, present and foreseeable conditions and the intentions of the Borrower's management. The Financial Projections accurately reflect the liabilities of the Company and its Subsidiaries upon consummation of the transactions contemplated hereby as of the Closing Date. Such Financial Projections and the assumptions therein were at the time made, fair and actual results may differ from such Financial Projections.

(iii) ACCURACY OF FINANCIAL STATEMENTS. Neither the Company nor any Subsidiary of the Company has any material liabilities, contingent or otherwise, or forward or long-term commitments that are not disclosed in the Annual Statements or in the notes thereto, and except as disclosed therein there are no unrealized or anticipated losses from any commitments of the Company or any Subsidiary of the Company, in each case which would reasonably be expected to cause a Material Adverse Change. Since February 3, 2001 there is no fact or circumstance known to the Borrower which would reasonably be expected to have a Material Adverse Change.

5.1.10. USE OF PROCEEDS; MARGIN STOCK; SECTION 20  
SUBSIDIARIES.

5.1.10.1 GENERAL.

The Loan Parties intend to use the proceeds of the Loans in accordance with Sections 2.8 [Use of Proceeds] and 7.1.10 [Use of Proceeds].

5.1.10.2 MARGIN STOCK.

None of the Loan Parties or any Subsidiaries of any Loan Party engages or intends to engage principally, or as one of its important activities, in the business of extending credit for the purpose, immediately, incidentally or ultimately, of purchasing or carrying margin stock (within the meaning of Regulation U). No part of the proceeds of any Loan has been or will be used, immediately, incidentally or ultimately, to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock or to refund Indebtedness originally incurred for such purpose, or for any purpose which entails a violation of or which is inconsistent with the provisions of the regulations of the Board of Governors of the Federal Reserve System. None of the Loan Parties or any Subsidiary of any Loan Party holds or intends to hold margin stock in such amounts that more than 25% of the reasonable value of the assets of any Loan Party or Subsidiary of any Loan Party are or will be represented by margin stock.

5.1.10.3 SECTION 20 SUBSIDIARIES.

The Loan Parties do not intend to use and shall not use any portion of the proceeds of the Loans, directly or indirectly, to purchase during the underwriting period, or for thirty (30) days thereafter, Ineligible Securities being underwritten by a Section 20 Subsidiary.

5.1.11. FULL DISCLOSURE.

Neither this Agreement nor any other Loan Document, nor any certificate, statement, agreement or other documents furnished to the Administrative Agent or any Bank in connection herewith or therewith taken as a whole, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein, in light of the circumstances under which they were made, not misleading. There is no fact known to any Loan Party which materially adversely affects the business, property, assets, financial condition, results of operations or prospects of any Loan Party or Subsidiary of any Loan Party which has not been set forth in this Agreement or in the certificates, statements, agreements or other documents furnished in writing to the Administrative Agent and the Banks prior to or at the date hereof in connection with the transactions contemplated hereby.

5.1.12. TAXES.

All federal, state, local and other tax returns required to have been filed with respect to each Loan Party and each Subsidiary of each Loan Party have been filed, and

payment or adequate provision has been made for the payment of all taxes, fees, assessments and other governmental charges which have or may become due pursuant to said returns or to assessments received, except to the extent that (a) the amount thereof is not individually or in the aggregate material, or (b) such taxes, fees, assessments and other charges are being contested in good faith by appropriate proceedings diligently conducted and for which such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made. There are no agreements or waivers extending the statutory period of limitations applicable to any federal income tax return of any Loan Party or Subsidiary of any Loan Party for any tax years prior to the Loan Parties' fiscal year ended on or about January 31, 1995. The Federal income tax liabilities of each Loan Party have been determined by the Internal Revenue Service and paid for all fiscal years up to and including the fiscal year ended January 29, 1994.

#### 5.1.13. CONSENTS AND APPROVALS.

No consent, approval, exemption, order or authorization of, or a registration or filing with, any Official Body or any other Person is required by any Law or any agreement in connection with the execution, delivery and carrying out of this Agreement and the other Loan Documents by any Loan Party, except as listed on SCHEDULE 5.1.13, all of which shall have been obtained or made on or prior to the Closing Date except as otherwise indicated on SCHEDULE 5.1.13.

#### 5.1.14. NO EVENT OF DEFAULT; COMPLIANCE WITH INSTRUMENTS.

No event has occurred and is continuing and no condition exists or will exist after giving effect to the borrowings or other extensions of credit to be made on the Closing Date under or pursuant to the Loan Documents which constitutes an Event of Default or Potential Default. None of the Loan Parties or any Subsidiaries of any Loan Party is in violation of (i) any material term of its certificate of incorporation, bylaws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company agreement or other organizational documents or (ii) any material agreement or instrument to which it is a party or by which it or any of its properties may be subject or bound where such violation would constitute a Material Adverse Change.

#### 5.1.15. PATENTS, TRADEMARKS, COPYRIGHTS, LICENSES, ETC.

Each Loan Party and each Subsidiary of each Loan Party owns or possesses all the material patents, trademarks, service marks, trade names, copyrights, licenses, registrations, franchises, permits and rights necessary to own and operate its properties and to carry on its business as presently conducted and planned to be conducted by such Loan Party or Subsidiary, without known possible, alleged or actual conflict with the rights of others.

#### 5.1.16. INSURANCE.

SCHEDULE 5.1.16 lists all insurance policies to which any Loan Party or Subsidiary of any Loan Party is a party, all of which are valid and in full force and effect. No

notice has been given or claim made and no grounds exist to cancel or avoid any of such policies or to reduce the coverage provided thereby. Such policies provide adequate coverage from reputable and financially sound insurers in amounts sufficient to insure the assets and risks of each Loan Party and each Subsidiary of each Loan Party in accordance with customary business practice in the industry of the Loan Parties and their Subsidiaries.

#### 5.1.17. COMPLIANCE WITH LAWS.

The Loan Parties and their Subsidiaries are in compliance in all material respects with all applicable Laws (other than Environmental Laws which are specifically addressed in Section 5.1.22 [Environmental Matters]) in all jurisdictions in which any Loan Party or Subsidiary of any Loan Party is presently or will be doing business except where the failure to do so would not reasonably be expected to constitute a Material Adverse Change.

#### 5.1.18. MATERIAL CONTRACTS; BURDENSOME RESTRICTIONS.

All material contracts relating to the business operations of each Loan Party and each Subsidiary of any Loan Party, including all employee benefit plans and Labor Contracts are valid, binding and enforceable upon such Loan Party or Subsidiary except as limited by bankruptcy, insolvency, and general concepts of equity and each of the other parties thereto in accordance with their respective terms, and there is no default thereunder, to the Loan Parties' knowledge, with respect to parties other than such Loan Party or Subsidiary. None of the Loan Parties or their Subsidiaries is bound by any contractual obligation, or subject to any restriction in any organization document, or any requirement of Law which could result in a Material Adverse Change. For purposes of this Section 5.1.18 the term "material contracts" shall mean those contracts or other agreements which the Company would be required to file with the Securities and Exchange Commission pursuant to item 601(a)(10) of Regulation S-K promulgated under the Securities Act of 1933 and the Securities Exchange Act of 1934.

#### 5.1.19. INVESTMENT COMPANIES; REGULATED ENTITIES.

None of the Loan Parties or any Subsidiaries of any Loan Party is an "investment company" registered or required to be registered under the Investment Company Act of 1940 or under the "control" of an "investment company" as such terms are defined in the Investment Company Act of 1940 and shall not become such an "investment company" or under such "control." None of the Loan Parties or any Subsidiaries of any Loan Party is subject to any other Federal or state statute or regulation limiting its ability to incur Indebtedness for borrowed money.

#### 5.1.20. PLANS AND BENEFIT ARRANGEMENTS.

Except as set forth on SCHEDULE 5.1.20:

(i) The Borrower and each other member of the ERISA Group are in compliance in all material respects with any applicable provisions of ERISA with respect to all Benefit Arrangements, Plans and Multiemployer Plans. There has been no Prohibited

Transaction with respect to any Benefit Arrangement or any Plan or, to the best knowledge of the Borrower, with respect to any Multiemployer Plan or Multiple Employer Plan, which could result in any material liability of the Borrower or any other member of the ERISA Group. The Borrower and all other members of the ERISA Group have made when due any and all payments required to be made under any agreement relating to a Multiemployer Plan or a Multiple Employer Plan or any Law pertaining thereto. With respect to each Plan and Multiemployer Plan, the Borrower and each other member of the ERISA Group (a) have fulfilled in all material respects their obligations under the minimum funding standards of ERISA, (b) have not incurred any liability to the PBGC, and (c) have not had asserted against them any penalty for failure to fulfill the minimum funding requirements of ERISA.

(ii) To the best of the Borrower's knowledge, each Multiemployer Plan and Multiple Employer Plan is able to pay benefits thereunder when due.

(iii) Neither the Borrower nor any other member of the ERISA Group has instituted or intends to institute proceedings to terminate any Plan.

(iv) No event requiring notice to the PBGC under Section 302(f)(4)(A) of ERISA has occurred or is reasonably expected to occur with respect to any Plan, and no amendment with respect to which security is required under Section 307 of ERISA has been made or is reasonably expected to be made to any Plan.

(v) The aggregate actuarial present value of all benefit liabilities (whether or not vested) under each Plan, determined on a plan termination basis, as disclosed in, and as of the date of, the most recent actuarial report for such Plan, does not exceed the aggregate fair market value of the assets of such Plan.

(vi) Neither the Borrower nor any other member of the ERISA Group has incurred or reasonably expects to incur any material withdrawal liability under ERISA to any Multiemployer Plan or Multiple Employer Plan. Neither the Borrower nor any other member of the ERISA Group has been notified by any Multiemployer Plan or Multiple Employer Plan that such Multiemployer Plan or Multiple Employer Plan has been terminated within the meaning of Title IV of ERISA and, to the best knowledge of the Borrower, no Multiemployer Plan or Multiple Employer Plan is reasonably expected to be reorganized or terminated, within the meaning of Title IV of ERISA.

(vii) To the extent that any Benefit Arrangement is insured, the Borrower and all other members of the ERISA Group have paid when due all premiums required to be paid for all periods through the Closing Date. To the extent that any Benefit Arrangement is funded other than with insurance, the Borrower and all other members of the ERISA Group have made when due all contributions required to be paid for all periods through the Closing Date.

(viii) All Plans, Benefit Arrangements and Multiemployer Plans have been administered in all material respects in accordance with their terms and applicable Law.

## 5.1.21. EMPLOYMENT MATTERS.

Each of the Loan Parties and each of their Subsidiaries is in compliance with all material Labor Contracts and all applicable federal, state and local labor and employment Laws including those related to equal employment opportunity and affirmative action, labor relations, minimum wage, overtime, child labor, medical insurance continuation, worker adjustment and relocation notices, immigration controls and worker and unemployment compensation, where the failure to comply would reasonably be expected to constitute a Material Adverse Change. There are no outstanding grievances, arbitration awards or appeals therefrom arising out of the Labor Contracts or current or threatened strikes, picketing, handbilling or other work stoppages or slowdowns at facilities of any of the Loan Parties or any of their Subsidiaries which in any case would reasonably be expected to constitute a Material Adverse Change.

## 5.1.22. ENVIRONMENTAL MATTERS.

Except as disclosed on SCHEDULE 5.1.22:

(i) None of the Loan Parties has received any material Environmental Complaint, whether directed or issued to any Loan Party or relating or pertaining to any prior owner, operator or occupant of the Property, and has no reason to believe that it might receive a material Environmental Complaint.

(ii) No activity of any Loan Party at the Property is being or has been conducted in material violation of any Environmental Law or Required Environmental Permit and to the knowledge of any Loan Party no activity of any prior owner, operator or occupant of the Property was conducted in material violation of any Environmental Law.

(iii) To the knowledge of the Loan Parties, there are no Regulated Substances present on, in, under, or emanating from, or emanating to, the Property or any portion thereof which result in material Contamination at the Property.

(iv) Each Loan Party has all material Required Environmental Permits for, at or relating to the Property and all such Required Environmental Permits are in full force and effect.

(v) Each Loan Party has submitted to an Official Body and/or maintains, as appropriate, all material Required Environmental Notices for, at or relating to the Property.

(vi) To the knowledge of each Loan Party no structures, improvements, equipment, fixtures, impoundments, pits, lagoons or aboveground or underground storage tanks located on the Property contain or use, except in material compliance with Environmental Laws and Required Environmental Permits, Regulated Substances or otherwise are operated or maintained except in material compliance with Environmental Laws and Required Environmental Permits. To the knowledge of each Loan Party, no structures, improvements, equipment, fixtures, impoundments, pits, lagoons or aboveground or underground storage tanks

of prior owners, operators or occupants of the Property contained or used, except in material compliance with Environmental Laws, Regulated Substances or otherwise were operated or maintained by any such prior owner, operator or occupant except in material compliance with Environmental Laws.

(vii) To the knowledge of each Loan Party, no facility or site to which any Loan Party, either directly or indirectly by a third party, has sent Regulated Substances for storage, treatment, disposal or other management has been or is being operated in material violation of Environmental Laws or pursuant to Environmental Laws is identified or proposed to be identified on any list of contaminated properties or other properties which pursuant to Environmental Laws are the subject of an investigation, cleanup, removal, remediation or other response action by an Official Body.

(viii) No portion of the Property is identified or to the knowledge of any Loan Party proposed to be identified on any list of contaminated properties or other properties which pursuant to Environmental Laws are the subject of a material investigation or remediation action by an Official Body, nor to the knowledge of any Loan Party is any property adjoining or in the proximity of the Property identified or proposed to be identified on any such list.

(ix) To the knowledge of each Loan Party, no portion of the Property constitutes an Environmentally Sensitive Area.

(x) No material lien or other material encumbrance authorized by Environmental Laws exists against the Property and none of the Loan Parties has any reason to believe that such a lien or encumbrance may be imposed.

#### 5.1.23. SENIOR DEBT STATUS.

The Obligations of each Loan Party under this Agreement, the Notes, the Guaranty Agreement and each of the other Loan Documents to which it is a party do rank and will rank at least PARI PASSU in priority of payment with all other Indebtedness of such Loan Party except Indebtedness of such Loan Party to the extent secured by Permitted Liens. There is no Lien upon or with respect to any of the properties or income of any Loan Party or Subsidiary of any Loan Party which secures indebtedness or other obligations of any Person except for Permitted Liens.

#### 5.1.24. INACTIVE SUBSIDIARIES.

Each Excluded Inactive Subsidiary has no material assets or liabilities (except for the New York Potential Tax Claim) and does not conduct business.

## 5.2 UPDATES TO SCHEDULES.

The Borrower shall update the schedules listed immediately after this paragraph on the date on which the Borrower delivers each quarterly Compliance Certificate. Provided that the Borrower delivers such updates with each Compliance Certificate and timely delivers such Compliance Certificates, (1) any inaccuracy in such schedules between due dates for Compliance Certificates shall not be a default hereunder and (2) such schedules shall be deemed to be amended upon delivery thereof.

Schedule 5.1.2	-	Capitalization
Schedule 5.1.3	-	Subsidiaries
Schedule 5.1.8	-	Owned Real Property

The Borrower shall update the schedules listed immediately after this paragraph on the date on which the Borrower delivers each Compliance Certificate for the end of its fiscal year. Provided that the Borrower delivers such updates with each such annual Compliance Certificate and timely delivers such Compliance Certificates, (1) any inaccuracy in such schedules between due dates for such Compliance Certificates shall not be a default hereunder and (2) such schedules shall be deemed to be amended upon delivery thereof.

Schedule 5.1.16	-	Insurance Policies
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Should any of the information or disclosures provided on any of the other Schedules attached hereto become outdated or incorrect in any material respect, the Borrower shall promptly provide the Administrative Agent in writing with such revisions or updates to such Schedule as may be necessary or appropriate to update or correct same; provided, however, that no such Schedule shall be deemed to have been amended, modified or superseded by any such correction or update, nor shall any breach of warranty or representation resulting from the inaccuracy or incompleteness of any such Schedule be deemed to have been cured thereby, unless and until the Required Banks, in their sole and absolute discretion, shall have accepted in writing such revisions or updates to such Schedule.

## 6. CONDITIONS OF LENDING AND ISSUANCE OF LETTERS OF CREDIT

The obligation of each Bank to make Loans and of the Administrative Agent to issue Letters of Credit hereunder is subject to the performance by each of the Loan Parties of its Obligations to be performed hereunder at or prior to the making of any such Loans or issuance of such Letters of Credit and to the satisfaction of the following further conditions:

## 6.1 FIRST LOANS AND LETTERS OF CREDIT.

On the Closing Date:

## 6.1.1. OFFICER'S CERTIFICATE.

The representations and warranties of each of the Loan Parties contained in Section 5 and in each of the other Loan Documents shall be true and accurate on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date (except representations and warranties which relate solely to an earlier date or time, which representations and warranties shall be true and correct on and as of the specific dates or times referred to therein), and each of the Loan Parties shall have performed and complied with all covenants and conditions hereof and thereof, no Event of Default or Potential Default shall have occurred and be continuing or shall exist; and there shall be delivered to the Administrative Agent for the benefit of each Bank a certificate of each of the Loan Parties, dated the Closing Date and signed by the Chief Executive Officer, President or Chief Financial Officer of each of the Loan Parties, to each such effect.

## 6.1.2. SECRETARY'S CERTIFICATE.

There shall be delivered to the Administrative Agent for the benefit of each Bank a certificate dated the Closing Date and signed by the Secretary or an Assistant Secretary of each of the Loan Parties, certifying as appropriate as to:

(i) all action taken by each Loan Party in connection with this Agreement and the other Loan Documents;

(ii) the names of the officer or officers authorized to sign this Agreement and the other Loan Documents and the true signatures of such officer or officers and specifying the Authorized Officers permitted to act on behalf of each Loan Party for purposes of this Agreement and the true signatures of such officers, on which the Administrative Agent and each Bank may conclusively rely; and

(iii) with respect to each of the Loan Parties, copies of their organizational documents, including their certificate of incorporation, bylaws, certificate of limited partnership, partnership agreement, certificate of formation, and limited liability company agreement as in effect on the Closing Date certified as of a date which is not less than twenty-five (25) days prior to the Closing Date by the appropriate state official where such documents are filed in a state office together with certificates from the appropriate state officials as to the continued existence and good standing of each Loan Party in each state where organized or qualified to do business .

## 6.1.3. DELIVERY OF LOAN DOCUMENTS.

## 6.1.3.1 GUARANTY AGREEMENT, NOTES AND INTERCOMPANY SUBORDINATION AGREEMENT

The Guaranty Agreement, Notes and Intercompany Subordination Agreement shall have been duly executed and delivered to the Administrative Agent for the benefit of the Banks.

## 6.1.3.2 INTERCREDITOR AGREEMENT--AUTHORIZATION TO

## EXECUTE AND DELIVER

The holders of the Senior Notes and the Administrative Agent shall have executed the Intercreditor Agreement. The Banks hereby authorize the Administrative Agent to execute the Intercreditor Agreement and acknowledge that the Banks and the Administrative Agent shall be bound thereby upon such execution and the execution of the other parties thereto.

## 6.1.4. DELIVERY OF FINANCIAL STATEMENTS.

The Company shall have delivered to the Administrative Agent and the Banks its audited financial statements for its fiscal year ended February 3, 2001 in accordance with the requirements described in Section 7.3.2 [Annual Financial Statements].

## 6.1.5. OPINION OF COUNSEL.

There shall be delivered to the Administrative Agent for the benefit of each Bank a written opinion of in house counsel for the Loan Parties and Vorys, Sater, Seymour and Pease LLP, outside counsel for the Loan Parties (each of whom may rely on the other's opinion), each dated the Closing Date and in form and substance satisfactory to the Administrative Agent and its counsel:

(i) as to the matters set forth in EXHIBIT 6.1.5 [Requirements of Opinions of Counsel]; and

(ii) as to such other matters incident to the transactions contemplated herein as the Administrative Agent may reasonably request.

## 6.1.6. LEGAL DETAILS.

All legal details and proceedings in connection with the transactions contemplated by this Agreement and the other Loan Documents shall be in form and substance satisfactory to the Administrative Agent and counsel for the Administrative Agent, and the Administrative Agent shall have received all such other counterpart originals or certified or other copies of such documents and proceedings in connection with such transactions, in form and substance satisfactory to the Administrative Agent and said counsel, as the Administrative Agent or said counsel may reasonably request.

## 6.1.7. PAYMENT OF FEES.

The Borrower shall have paid or caused to be paid to the Administrative Agent for itself and for the account of the Banks to the extent not previously paid the Facility Fees, all other commitment and other fees accrued through the Closing Date and the costs and expenses for which the Administrative Agent and the Banks are entitled to be reimbursed.

## 6.1.8. CONSENTS.

All material consents and approvals required to effectuate the transactions contemplated hereby as set forth on SCHEDULE 5.1.13 shall have been obtained.

## 6.1.9. OFFICER'S CERTIFICATE REGARDING MACS.

Since February 3, 2001 no Material Adverse Change shall have occurred; prior to the Closing Date, there shall have been no material change in the management of any Loan Party ; and there shall have been delivered to the Administrative Agent for the benefit of each Bank a certificate dated the Closing Date and signed by the Chief Executive Officer, President or Chief Financial Officer of each Loan Party to each such effect.

## 6.1.10. NO VIOLATION OF LAWS.

The making of the Loans and the issuance of the Letters of Credit and consummation of the transactions contemplated hereunder shall not contravene any Law applicable to any Loan Party.

## 6.1.11. NO ACTIONS OR PROCEEDINGS.

No action, proceeding, investigation, regulation or legislation shall have been instituted, threatened or proposed before any court, governmental agency or legislative body to enjoin, restrain or prohibit, or to obtain damages in respect of, this Agreement, the other Loan Documents or the consummation of the transactions contemplated hereby or thereby or which, in the Administrative Agent's reasonable discretion, would make it inadvisable to consummate the transactions contemplated by this Agreement or any of the other Loan Documents.

## 6.1.12. INSURANCE POLICIES; CERTIFICATES OF INSURANCE;

ENDORSEMENTS.

The Loan Parties shall have delivered evidence acceptable to the Administrative Agent that adequate insurance in compliance with Section 7.1.3[Maintenance of Insurance] is in full force and effect and that all premiums then due thereon have been paid, together with a certified copy of each Loan Party's casualty insurance policy or policies evidencing coverage satisfactory to the Administrative Agent.

## 6.1.13. ISSUANCE OF SENIOR UNSECURED NOTES.

The Company shall have issued its fixed rate senior unsecured notes (the "Senior Notes") and the aggregate principal amount thereof shall equal or exceed \$150,000,000 and the terms thereof shall otherwise be acceptable to the Administrative Agent.

## 6.1.14. LIEN SEARCH.

The parties shall have ordered a Lien search with respect to the Borrower (and not the Borrower's Subsidiaries) satisfactory to the Administrative Agent and the results of

which that have been received by the Administrative Agent on the Closing Date shall be satisfactory and shall constitute a satisfactory portion of the total results expected with the balance expected to be received within seven (7) days following the Closing Date.

#### 6.1.15. TERMINATION OF PRIOR CREDIT AGREEMENT; APPROVAL OF PAYOFF LETTER.

##### 6.1.15.1 TERMINATION OF PRIOR CREDIT AGREEMENT.

The Borrower shall have terminated the Prior Credit Agreement and paid all amounts owed thereunder and the parties thereto shall have executed and delivered a payoff letter in connection with such termination and repayment.

##### 6.1.15.2 APPROVAL OF PAYOFF LETTER.

The Banks which are a party hereto and which are also parties to the Prior Credit Agreement hereby approve of the Payoff Letter relating to the Prior Credit Agreement in the form attached hereto and agree to be bound by the terms thereof.

#### 6.2 EACH ADDITIONAL LOAN OR LETTER OF CREDIT.

At the time of making any Loans or issuing any Letters of Credit other than Loans made or Letters of Credit issued on the Closing Date and after giving effect to the proposed extensions of credit: the representations and warranties of the Loan Parties contained in Section 5 and in the other Loan Documents shall be true on and as of the date of such additional Loan or Letter of Credit with the same effect as though such representations and warranties had been made on and as of such date (except representations and warranties which expressly relate solely to an earlier date or time, which representations and warranties shall be true and correct on and as of the specific dates or times referred to therein) and the Loan Parties shall have performed and complied with all covenants and conditions hereof; no Event of Default or Potential Default shall have occurred and be continuing or shall exist; the making of the Loans or issuance of such Letter of Credit shall not contravene any Law applicable to any Loan Party or Subsidiary of any Loan Party or any of the Banks; and the Borrower shall have delivered to the Administrative Agent a duly executed and completed Loan Request or application for a Letter of Credit as the case may be.

#### 7. COVENANTS

##### 7.1 AFFIRMATIVE COVENANTS.

The Loan Parties, jointly and severally, covenant and agree that until payment in full of the Loans, Reimbursement Obligations and Letter of Credit Borrowings, and interest thereon, expiration or termination of all Letters of Credit, satisfaction of all of the Loan Parties' other Obligations under the Loan Documents and termination of the Commitments, the Loan Parties shall comply at all times with the following affirmative covenants:

## 7.1.1. PRESERVATION OF EXISTENCE, ETC.

Except for the Migration, each Loan Party shall, and shall cause each of its Subsidiaries other than the Excluded Inactive Subsidiaries to, maintain its legal existence as a corporation, limited partnership or limited liability company and its license or qualification and good standing in each jurisdiction in which its ownership or lease of property or the nature of its business makes such license or qualification necessary, except as otherwise expressly permitted in Section 7.2.6 [Liquidations, Mergers, Etc.] and for dissolutions of Subsidiaries which cease to have assets or conduct business.

## 7.1.2. PAYMENT OF LIABILITIES, INCLUDING TAXES, ETC.

Each Loan Party shall, and shall cause each of its Subsidiaries to, duly pay and discharge all material liabilities to which it is subject or which are asserted against it, promptly as and when the same shall become due and payable, including all taxes, assessments and governmental charges upon it or any of its properties, assets, income or profits, prior to the date on which penalties attach thereto, except to the extent that such liabilities, including taxes, assessments or charges, are being contested in good faith and by appropriate and lawful proceedings diligently conducted and for which such reserve or other appropriate provisions, if any, as shall be required by GAAP shall have been made, but only to the extent that failure to discharge any such liabilities would not result in any additional liability which would adversely affect to a material extent the financial condition of the Loan Parties taken as a whole, PROVIDED that the Loan Parties and their Subsidiaries will pay all such liabilities forthwith upon the commencement of proceedings to foreclose any material Lien which may have attached as security therefor.

## 7.1.3. MAINTENANCE OF INSURANCE.

Each Loan Party shall, and shall cause each of its Subsidiaries to, insure its properties and assets against loss or damage by fire and such other insurable hazards as such assets are commonly insured (including fire, extended coverage, property damage, workers' compensation, public liability and business interruption insurance) and against other risks (including errors and omissions) in such amounts as similar properties and assets are insured by prudent companies in similar circumstances carrying on similar businesses, and with reputable and financially sound insurers, including self-insurance to the extent customary, all as reasonably determined by the Administrative Agent (it is acknowledged that current levels are acceptable). At the request of the Administrative Agent, the Loan Parties shall deliver to the Administrative Agent (x) on the Closing Date and annually thereafter an original certificate of insurance signed by the Loan Parties' independent insurance broker describing and certifying as to the existence of the insurance required to be maintained by this Agreement and the other Loan Documents, and (y) from time to time a summary schedule indicating all insurance then in force with respect to each of the Loan Parties.

#### 7.1.4. MAINTENANCE OF PROPERTIES AND LEASES.

Each Loan Party shall, and shall cause each of its Subsidiaries to, maintain in good repair, working order and condition (ordinary wear and tear excepted) in accordance with the general practice of other businesses of similar character and size, all of those material properties useful or necessary to its business, and from time to time, such Loan Party will make or cause to be made all appropriate repairs, renewals or replacements thereof.

#### 7.1.5. MAINTENANCE OF PATENTS, TRADEMARKS, ETC.

Each Loan Party shall, and shall cause each of its Subsidiaries to, maintain in full force and effect all patents, trademarks, service marks, trade names, copyrights, licenses, franchises, permits and other authorizations necessary for the ownership and operation of its properties and business if the failure so to maintain the same would constitute a Material Adverse Change.

#### 7.1.6. VISITATION RIGHTS.

Each Loan Party shall, and shall cause each of its Subsidiaries to, permit any of the officers or authorized employees or representatives of the Administrative Agent or any of the Banks to visit, no more than twice per year (unless an Event of Default has occurred and is continuing), during normal business hours and inspect any of its properties and to examine and make excerpts from its books and records and discuss its business affairs, finances and accounts with its officers, all in such detail and at such times and as often as any of the Banks may reasonably request, PROVIDED that each Bank (including the Administrative Agent) shall provide the Borrower and the Administrative Agent with reasonable notice prior to any visit or inspection. In the event any Bank desires to conduct an audit of any Loan Party, such Bank shall make a reasonable effort to conduct such audit contemporaneously with any audit to be performed by the Administrative Agent.

#### 7.1.7. KEEPING OF RECORDS AND BOOKS OF ACCOUNT.

The Company shall, and shall cause each Subsidiary of the Company including the Borrower to, maintain and keep proper books and records which enable the Company and its Subsidiaries to issue financial statements in accordance with GAAP and as otherwise required by applicable Laws of any Official Body having jurisdiction over the Company or any Subsidiary of the Company, and in which full, true and correct entries shall be made in all material respects of all its dealings and business and financial affairs.

#### 7.1.8. PLANS AND BENEFIT ARRANGEMENTS.

The Borrower shall, and shall cause each other member of the ERISA Group to, comply with ERISA, the Internal Revenue Code and other applicable Laws applicable to Plans and Benefit Arrangements except where such failure, alone or in conjunction with any other failure, would not result in a Material Adverse Change. Without limiting the generality of the foregoing, the Borrower shall cause all of its Plans and all Plans maintained by any member

of the ERISA Group to be funded in accordance with the minimum funding requirements of ERISA and shall make, and cause each member of the ERISA Group to make, in a timely manner, all contributions due to Plans, Benefit Arrangements and Multiemployer Plans.

#### 7.1.9. COMPLIANCE WITH LAWS.

Each Loan Party shall, and shall cause each of its Subsidiaries to, comply with all applicable Laws, including all Environmental Laws, in all respects, PROVIDED that it shall not be deemed to be a violation of this Section 7.1.9 if any failure to comply with any Law would not result in fines, penalties, remediation costs, other similar liabilities or injunctive relief which in the aggregate would reasonably be expected to constitute a Material Adverse Change.

#### 7.1.10. USE OF PROCEEDS.

The Loan Parties will use the Letters of Credit and the proceeds of the Loans in accordance with the preamble of this Agreement. The Loan Parties shall not use the Letters of Credit or the proceeds of the Loans for any purposes which contravenes any applicable Law or any provision hereof.

#### 7.1.11. SUBORDINATION OF INTERCOMPANY LOANS.

Each Loan Party shall cause any intercompany Indebtedness, loans or advances owed by any Loan Party to any other Loan Party to be subordinated pursuant to the terms of the Intercompany Subordination Agreement.

### 7.2 NEGATIVE COVENANTS.

The Loan Parties, jointly and severally, covenant and agree that until payment in full of the Loans, Reimbursement Obligations and Letter of Credit Borrowings and interest thereon, expiration or termination of all Letters of Credit, satisfaction of all of the Loan Parties' other Obligations hereunder and termination of the Commitments, the Loan Parties shall comply with the following negative covenants:

#### 7.2.1. INDEBTEDNESS.

Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, at any time create, incur, assume or suffer to exist any Indebtedness, except:

(i) Indebtedness under the Loan Documents;

(ii) The Senior Notes and other existing Indebtedness as set forth on SCHEDULE 7.2.1 (including any extensions or renewals thereof; PROVIDED there is no increase in the amount thereof, or an increase in the effective interest rate thereof or an earlier maturity date for any payment payable thereunder or the provision of any security or guaranties therefor unless otherwise specified on SCHEDULE 7.2.1);

(iii) Capitalized and operating leases as and to the extent permitted under Section 7.2.18 [Capital Expenditures and Capital Leases];

(iv) Indebtedness secured by Purchase Money Security Interests not exceeding \$10,000,000;

(v) Indebtedness of a Loan Party to another Loan Party which is subordinated in accordance with the provisions of Section 7.1.11[Subordination of Intercompany Loans];

(vi) Indebtedness under a Qualified Interest Rate Protection Agreement; and

(vii) Unsecured Indebtedness provided that

(1) such Indebtedness is pari passu in right of payment with the Indebtedness hereunder,

(2) such Indebtedness complies with Section 7.2.17 [Negative Pledges] and Section 7.2.20 [Maximum Leverage Ratio], and

(3) the Loan Parties shall comply with Section 4.5.2.3 [Mandatory Reduction of Commitments Upon a Prepayment of the Senior Notes, Material Recovery Event, Sale of Assets or Issuance of Debt] in connection with the incurrence of such Indebtedness.

(4) the Loan Parties shall be in compliance with their covenants under this Agreement after giving effect to such Indebtedness and shall demonstrate such compliance in the Compliance Certificate which they next deliver under this Agreement pursuant to Section 7.3.3 [Certificate of Borrower].

#### 7.2.2. LIENS.

Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to at any time create, incur, assume or suffer to exist any Lien on any of its property or assets, tangible or intangible, now owned or hereafter acquired, or agree or become liable to do so, except Permitted Liens.

#### 7.2.3. GUARANTIES.

Except as otherwise permitted under Section 7.2.1 [Indebtedness], each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, at any time, directly or indirectly, become or be liable in respect of any Guaranty, or assume, guarantee, become surety for, endorse or otherwise agree, become or remain directly or contingently liable upon or with respect to any obligation or liability of any other Person, except for Guaranties of Indebtedness of the Loan Parties permitted hereunder.

## 7.2.4. LOANS AND INVESTMENTS.

Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, at any time make or suffer to remain outstanding any loan or advance to, or purchase, acquire or own any stock, bonds, notes or securities of, or any partnership interest (whether general or limited) or limited liability company interest in, or any other investment or interest in, or make any capital contribution to, any other Person, or agree, become or remain liable to do any of the foregoing, except:

(i) trade credit extended on usual and customary terms in the ordinary course of business;

(ii) advances to employees to meet expenses incurred by such employees in the ordinary course of business;

(iii) Permitted Investments;

(iv) loans, advances and investments in other Loan Parties;

(v) Investments other than those set forth hereinabove not to exceed \$35,000,000 at any time outstanding;

(vi) investments in notes and other securities received in settlement of overdue debts and accounts payable in the ordinary course of business and for amounts which, individually and in the aggregate, are not material to the Loan Parties and their Subsidiaries;

(vii) investments in the nature of seller financing or other consideration received in any disposition (including any sale, lease, sale-leaseback, assignment or transfer) of assets or property by any Loan Party or a Subsidiary of a Loan Party, PROVIDED that the aggregate value of all such investments at any time (based on the value at the time of the acquisition thereof but reduced by payments or other realization thereon) shall not exceed \$10,000,000; and.

(viii) investments in Qualified Interest Rate Protection

Agreements.

## 7.2.5. DIVIDENDS AND RELATED DISTRIBUTIONS.

Except as provided below, each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, make or pay, or agree to become or remain liable to make or pay, any dividend or other distribution of any nature (whether in cash, property, securities or otherwise) on account of or in respect of its shares of capital stock, partnership interests or limited liability company interests on account of the purchase, redemption, retirement or acquisition of its shares of capital stock (or warrants, options or rights therefor), partnership interests or limited liability company interests, except dividends or other distributions payable to another Loan Party. The Company may declare and pay dividends on its capital stock which are payable solely in shares of its capital stock or other equity interests of the Company. So long as no Event of Default exists and is continuing, the Company may (i) pay cash dividends on its

capital stock, or (ii) make purchases and redemptions of its capital stock pursuant to existing plans, provided that the aggregate of all such cash dividends, purchases and redemptions referred to in clauses (i) and (ii) made after the Closing Date does not at the time of any payment exceed the Dividend Limitation after giving effect to such payment.

#### 7.2.6. LIQUIDATIONS, MERGERS, CONSOLIDATIONS, ACQUISITIONS.

Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, dissolve, liquidate or wind-up its affairs, or become a party to any merger or consolidation, or acquire by purchase, lease or otherwise all or substantially all of the assets or capital stock of any other Person, PROVIDED that

(1) any Loan Party other than the Borrower may consolidate or merge into another Loan Party which is directly or indirectly wholly-owned by one or more of the other Loan Parties, or in connection with the Migration, and

(2) any Loan Party may acquire by merger, purchase or otherwise all or substantially all of the assets of any other Person or any division or subsidiary of such other Person if:

(a) the Borrower is in compliance with all of the provisions of this Agreement immediately prior to such acquisition and after giving effect to such acquisition the Borrower will be in compliance with all of the provisions of this Agreement;

(b) with respect to any acquisition of capital stock of another Person, the Borrower shall acquire at least fifty percent (50%) of such capital stock so that such other Person shall become a Subsidiary of the Borrower, and such Person shall join in the Master Guaranty Agreement in accordance with Section 10.18, provided that any Subsidiary which is organized, owns assets and conducts its business in a jurisdiction other than the United States (each a "Foreign Subsidiary") shall not be required to join the Master Guaranty Agreement if both of the following are true: (i) the total assets of all of the Foreign Subsidiaries which are not Guarantors is less than 10% of the total consolidated assets of the Company and its Subsidiaries and (ii) the total consolidated revenues of all of the Foreign Subsidiaries which are not Guarantors for the immediately preceding fiscal year is less than 10% of the total consolidated revenues of the Company and its Subsidiaries for such year; and

(c) if the Acquisition Consideration in connection with such transaction payable by the Loan Parties exceeds \$25,000,000, the Loan Parties shall deliver to the Administrative Agent and the Banks at least ten (10) Business Days before such transaction a Compliance Certificate demonstrating that the Loan Parties shall be in compliance with the covenants hereunder after giving effect to such transaction.

#### 7.2.7. DISPOSITIONS OF ASSETS OR SUBSIDIARIES.

Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, sell, convey, assign, lease, abandon or otherwise transfer or dispose of,

voluntarily or involuntarily, any of its properties or assets, tangible or intangible (including sale, assignment, discount or other disposition of accounts, contract rights, chattel paper, equipment or general intangibles with or without recourse or of capital stock, shares of beneficial interest, partnership interests or limited liability company interests of a Subsidiary of such Loan Party), except:

(i) transactions involving the sale of inventory in the ordinary course of business;

(ii) any sale, transfer or lease of assets in the ordinary course of business which are no longer necessary or required in the conduct of such Loan Party's or such Subsidiary's business;

(iii) any sale, transfer or lease of assets by any wholly owned Subsidiary of such Loan Party to another Loan Party;

(iv) any sale, transfer or lease of assets in the ordinary course of business which are replaced by substitute assets acquired or leased within the parameters of Section 7.2.19 [Capital Expenditures and Capital Leases];

(v) any sale or transfer by the Company of the capital stock or other equity interests of the Company; or

(vi) any sale, transfer or lease of assets, other than those specifically excepted pursuant to clauses (i) through (v) above, provided that:

(a) there shall not exist any Event of Default or Potential Default after such sale,

(b) the Loan Parties shall be in compliance with all of the covenants herein applicable to any Loan Party or its Subsidiaries and with respect to any sale the proceeds of which exceed \$10,000,000, the Borrower shall deliver a Compliance Certificate to the Administrative Agent for the benefit of the Banks at least ten (10) Business Days before such sale confirming the same; and

(c) the Loan Parties comply with Section 4.5.2 [Mandatory Reduction of Commitments Upon a Prepayment of Senior Notes, Material Recovery Event, Sale of Assets or Issuance of Debt] in connection with such sale and the disposition of the proceeds therefrom.

#### 7.2.8. AFFILIATE TRANSACTIONS.

Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, enter into or carry out any transaction with any Affiliate (including purchasing property or services from or selling property or services to any Affiliate of any Loan Party or other Person other than a Loan Party) unless such transaction is not otherwise prohibited by this

Agreement, is entered into in the ordinary course of business upon fair and reasonable arm's-length terms and conditions (including without limitation employment arrangements with any Executive Officer of the Borrower and its Subsidiaries) which are fully disclosed to the Administrative Agent and is in accordance with all applicable Law.

7.2.9. SUBSIDIARIES, PARTNERSHIPS AND JOINT VENTURES; EXCLUDED INACTIVE SUBSIDIARIES.

7.2.9.1 SUBSIDIARIES, PARTNERSHIPS AND JOINT VENTURES.

Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, own or create directly or indirectly any Subsidiaries other than (i) any Subsidiary which has joined this Agreement as Guarantor on the Closing Date; (ii) any Subsidiary acquired or formed after the Closing Date which joins this Agreement as a Guarantor pursuant to Section 10.18 [Joinder of Guarantors]; (iii) any Foreign Subsidiary, provided that such Foreign Subsidiary shall join this Agreement as a Guarantor if the conditions described in both clauses (i) and (ii) of the last sentence of Section 7.2.6(2)(b) [Liquidations, Mergers, Consolidations, Acquisitions] are not met, and (iv) any Excluded Inactive Subsidiary. Each of the Loan Parties shall not become or agree to become (1) a general or limited partner in any general or limited partnership or a joint venturer in any joint venture, other than solely with other Loan Parties or (2) a member or manager of, or hold a limited liability company interest in, a limited liability company, except that the Loan Parties may be members or managers of, or hold limited liability company interests in, other Loan Parties.

7.2.9.2 EXCLUDED INACTIVE SUBSIDIARIES.

The Loan Parties shall not permit any Excluded Inactive Subsidiary to acquire or hold any material assets, incur or suffer to exist any material liabilities, except for the New York Potential Tax Claim, or to conduct any material business.

7.2.10. CONTINUATION OF OR CHANGE IN BUSINESS.

Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, engage in any business other than the wholesale and retail sale of general merchandise, substantially as conducted and operated by such Loan Party or Subsidiary during the present fiscal year, and such Loan Party or Subsidiary shall not permit any material change in such business. This Section 7.2.10 shall not prohibit the Company, the Borrower or any Subsidiary thereof from engaging in a business which provides services common to the retail or wholesale trade in general merchandise to the Company, the Borrower or any Subsidiary thereof or to any Person engaged in the sale of general retail merchandise.

7.2.11. PLANS AND BENEFIT ARRANGEMENTS.

Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to:

(i) fail to satisfy the minimum funding requirements of ERISA and the Internal Revenue Code with respect to any Plan;

(ii) request a minimum funding waiver from the Internal Revenue Service with respect to any Plan;

(iii) engage in a Prohibited Transaction with any Plan, Benefit Arrangement or Multiemployer Plan which, alone or in conjunction with any other circumstances or set of circumstances resulting in liability under ERISA, would constitute a Material Adverse Change;

(iv) permit the aggregate actuarial present value of all benefit liabilities (whether or not vested) under each Plan, determined on a plan termination basis, as disclosed in the most recent actuarial report completed with respect to such Plan, to exceed, as of any actuarial valuation date, the fair market value of the assets of such Plan;

(v) fail to make when due any contribution to any Multiemployer Plan that the Borrower or any member of the ERISA Group may be required to make under any agreement relating to such Multiemployer Plan, or any Law pertaining thereto;

(vi) withdraw (completely or partially) from any Multiemployer Plan or withdraw (or be deemed under Section 4062(e) of ERISA to withdraw) from any Multiple Employer Plan, where any such withdrawal is likely to result in a material liability of the Borrower or any member of the ERISA Group;

(vii) terminate, or institute proceedings to terminate, any Plan, where such termination is likely to result in a material liability to the Borrower or any member of the ERISA Group;

(viii) make any amendment to any Plan with respect to which security is required under Section 307 of ERISA; or

(ix) fail to give any and all notices and make all disclosures and governmental filings required under ERISA or the Internal Revenue Code, where such failure is likely to result in a Material Adverse Change.

#### 7.2.12. FISCAL YEAR.

The Company shall not, and shall not permit any Subsidiary of the Company to, change its fiscal year from the fifty-two/fifty-three week fiscal year beginning on the Sunday closest to February 1, and ending on the Saturday closest to February 1 of each year.

#### 7.2.13. ISSUANCE OF STOCK.

Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, issue any additional shares of its capital stock or any options, warrants or other

rights in respect thereof other than to another Loan Party or Subsidiary of a Loan Party; except issuance of stock options or warrants issued in connection with compensation matters in the ordinary course of business that the Company may issue shares of its capital stock or other equity interests of the Company.

#### 7.2.14. CHANGES IN ORGANIZATIONAL DOCUMENTS.

The Company shall not amend in any respect its certificate of incorporation (including any provisions or resolutions relating to capital stock), by-laws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company agreement or other organizational documents without providing at least five (5) calendar days' prior written notice to the Administrative Agent and the Banks and, in the event such change would be adverse to the Banks as determined by the Administrative Agent in its sole discretion, obtaining the prior written consent of the Required Banks, except that the Loan Parties may complete the Migration provided that the Borrower shall, at least five (5) calendar days prior to the effective date thereof, notify the Administrative Agent and the Banks of such amendment and provide copies of the relevant documentation effecting such change and, on or before the effective date of such Migration, cause the successor to the Company to execute a Guarantor Joinder and deliver a confirming opinion of its counsel acceptable to the Administrative Agent with respect to such successor and Guarantor Joinder.

#### 7.2.15. AMENDMENT TO SENIOR NOTES.

The Loan Parties shall not waive or amend provisions under the Senior Note Agreement, the Senior Notes or any restatements or replacements thereof or the documentation evidencing the same if such amendment would require payment of interest or principal under the Senior Notes on a date which is earlier than the due date for such interest or principal payment contained in the Senior Note Agreement or the Senior Notes on the Closing Date. The Loan Parties shall deliver copies to the Administrative Agent of any waiver or amendment to the Senior Note Agreement or the Senior Notes within 5 Business Days after the effective date thereof.

#### 7.2.16. NO PREPAYMENT OF DEBT.

The Loan Parties shall not permit the payment or prepayment, directly or indirectly (excluding the Senior Notes which are addressed below), of any principal of any other Indebtedness for money borrowed if the principal amount thereof exceeds \$10,000,000 ("Material Indebtedness") of the Loan Parties or their Subsidiaries. The Loan Parties may not make any principal payments of any series or tranche of the Senior Notes prior to the maturity date of such series or tranche or any purchase or redemption of any of such Senior Notes, provided that the Loan Parties may make payments of principal of any series or tranche of the Senior Notes prior to the maturity date of such series or tranche provided that simultaneously with any such payment (excluding any prepayment in connection with an asset sale pursuant to Section 10.5 (Sale of Assets) of the Senior Note Purchase Agreement if the Loan Parties are making a prepayment under Section 4.5.2.3) (each such payment a "Senior Note Payment") the

Loan Parties shall make a payment on the Loans and reduce the Commitments hereunder in amounts set forth in Section 4.5.2.1 and pursuant to the terms thereof.

#### 7.2.17. NEGATIVE PLEDGES.

Each of the Loan Parties covenants and agrees that it shall not, and shall not permit any of its Subsidiaries to, enter into any agreement with any Person which prohibits or restricts in any manner the right of any of the Loan Parties to grant Liens in any of their assets to any Person or imposes any conditions which must be satisfied in order for any such Liens to be so granted or creates any breach or default, whether absolute, conditional or potential upon the occurrence of any grant of such Liens, except for the provisions contained in Section 10.4 of the Senior Note Purchase Agreement.

#### 7.2.18. CAPITAL EXPENDITURES AND CAPITAL LEASES.

Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, make any payments in any fiscal year on account of the purchase or lease of any assets which if purchased would constitute fixed assets or which if leased would constitute a capitalized lease exceeding the amount set forth in the grid below for the periods specified in such grid, provided that if the Loan Parties do not incur the maximum amount permitted in any year (without giving effect to any increase in such maximum amount pursuant to this proviso), the amount permitted in the next year (but not in any year thereafter) shall be increased by the difference between such maximum and the actual amount expended.

FISCAL YEAR ENDING (NEAREST)	MAXIMUM AMOUNT OF CAPITAL EXPENDITURES
January 31, 2002	\$125,000,000
January 31, 2003	\$150,000,000
January 31, 2004	\$125,000,000

#### 7.2.19. MINIMUM FIXED CHARGE COVERAGE RATIO.

The Loan Parties shall not permit the Fixed Charge Coverage Ratio, calculated as of the end of each fiscal quarter for the four (4) fiscal quarters then ended, to be less than the following levels as of the following quarter-ends:

FISCAL QUARTER ENDING (NEAREST)	MINIMUM RATIO
July 31, 2001	1.9 to 1.0
October 31, 2001	1.9 to 1.0

## FISCAL QUARTER ENDING (NEAREST)

## MAXIMUM RATIO

January 31, 2002

1.9 to 1.0

April 30, 2002 and thereafter

2.0 to 1.0

## 7.2.20. MAXIMUM LEVERAGE RATIO.

The Loan Parties shall not permit the Leverage Ratio, calculated as of the end of each fiscal quarter, to be greater than the following levels as of the following quarter-ends:

## FISCAL QUARTER ENDING (NEAREST)

## MAXIMUM RATIO

July 31, 2001

3.25 to 1.0

October 31, 2001

3.35 to 1.0

January 31, 2002

2.75 to 1.0

April 30, 2002

2.75 to 1.0

July 31, 2002

2.85 to 1.0

October 31, 2002

3.00 to 1.0

January 31, 2003

2.50 to 1.0

April 30, 2003

2.50 to 1.0

July 31, 2003

2.50 to 1.0

October 31, 2003

2.75 to 1.0

January 31, 2004 and thereafter

2.50 to 1.0

## 7.2.21. MINIMUM Consolidated Net Worth.

The Loan Parties will not permit Consolidated Net Worth at any time to be less than (i) \$800,000,000 plus (ii) the cumulative sum of 50% of Consolidated Net Income (but only if a positive number) for each fiscal quarter ending after March 31, 2001.

### 7.3 REPORTING REQUIREMENTS.

The Loan Parties, jointly and severally, covenant and agree that until payment in full of the Loans, Reimbursement Obligations and Letter of Credit Borrowings and interest thereon, expiration or termination of all Letters of Credit, satisfaction of all of the Loan Parties' other Obligations hereunder and under the other Loan Documents and termination of the Commitments, the Loan Parties will furnish or cause to be furnished to the Administrative Agent and each of the Banks:

#### 7.3.1. QUARTERLY FINANCIAL STATEMENTS.

As soon as available and in any event within sixty (60) calendar days after the end of each of the first three fiscal quarters in each fiscal year, financial statements of the Company, consisting of a consolidated and consolidating balance sheet as of the end of such fiscal quarter and related consolidated and consolidating statements of income, stockholders' equity and cash flows for the fiscal quarter then ended and the fiscal year through that date, all in reasonable detail (it is acknowledged that deliveries of financial statements with the Company's 10Q currently satisfy the foregoing requirements) and certified (subject to normal year-end audit adjustments) by the Chief Executive Officer, President or Chief Financial Officer of the Borrower as having been prepared in accordance with GAAP, consistently applied, and setting forth in comparative form the respective financial statements for the corresponding date and period in the previous fiscal year.

#### 7.3.2. ANNUAL FINANCIAL STATEMENTS.

As soon as available and in any event within one hundred and twenty (120) days after the end of each fiscal year of the Company, financial statements of the Company consisting of a consolidated and consolidating balance sheet as of the end of such fiscal year, and related consolidated and consolidating statements of income, stockholders' equity and cash flows for the fiscal year then ended, all in reasonable detail and setting forth in comparative form the financial statements as of the end of and for the preceding fiscal year (it is acknowledged that deliveries of financial statements with the Company's 10K currently satisfy the foregoing requirements), and certified by independent certified public accountants of nationally recognized standing satisfactory to the Administrative Agent. The certificate or report of accountants shall be free of qualifications (other than any consistency qualification that may result from a change in the method used to prepare the financial statements as to which such accountants concur) and shall not indicate the occurrence or existence of any event, condition or contingency which would materially impair the prospect of payment or performance of any covenant, agreement or duty of any Loan Party under any of the Loan Documents. The Loan Parties shall deliver with such financial statements and certification by their accountants a letter of such accountants to the Administrative Agent and the Banks substantially (i) to the effect that, based upon their ordinary and customary examination of the affairs of the Company, performed in connection with the preparation of such consolidated financial statements, and in accordance with generally accepted auditing standards, they are not aware of the existence of any condition or event which constitutes an Event of Default or Potential Default or, if they are aware of such condition or

event, stating the nature thereof and confirming the Borrower's calculations with respect to the certificate to be delivered pursuant to Section 7.3.3 [Certificate of the Borrower] with respect to such financial statements and (ii) to the effect that the Banks are intended to rely upon such accountant's certification of the annual financial statements and that such accountants authorize the Loan Parties to deliver such reports and certificate to the Banks on such accountants' behalf.

#### 7.3.3. CERTIFICATE OF THE BORROWER.

Concurrently with the financial statements of the Company furnished to the Administrative Agent and to the Banks pursuant to Sections 7.3.1 [Quarterly Financial Statements] and 7.3.2 [Annual Financial Statements], a certificate of the Borrower and the Company signed by the Chief Executive Officer, President or Chief Financial Officer of the Borrower and the Company, in the form of EXHIBIT 7.3.3 (each a "Compliance Certificate"), to the effect that, except as described pursuant to Section 7.3.4 [Notice of Default], (i) the representations and warranties contained in Section 5 and in the other Loan Documents are true on and as of the date of such certificate with the same effect as though such representations and warranties had been made on and as of such date (except representations and warranties which expressly relate solely to an earlier date or time) and the Loan Parties have performed and complied with all covenants and conditions hereof, (ii) no Event of Default or Potential Default exists and is continuing on the date of such certificate and (iii) containing calculations in sufficient detail to demonstrate compliance as of the date of such financial statements with all financial covenants contained in Section 7.2 [Negative Covenants].

#### 7.3.4. NOTICE OF DEFAULT.

Promptly after any officer of any Loan Party has learned of the occurrence of an Event of Default or Potential Default, a certificate signed by the Chief Executive Officer, President or Chief Financial Officer of such Loan Party setting forth the details of such Event of Default or Potential Default and the action which the such Loan Party proposes to take with respect thereto.

#### 7.3.5. NOTICE OF LITIGATION.

Promptly after the commencement thereof, notice of all actions, suits, proceedings or investigations before or by any Official Body or any other Person against any Loan Party or Subsidiary of any Loan Party which involve a claim or series of claims in excess of \$10,000,000 or which if adversely determined would constitute a Material Adverse Change.

#### 7.3.6. CERTAIN EVENTS.

(i) Written notice to the Administrative Agent at least ten (10) Business Days prior thereto, with respect to any proposed sale or transfer of assets pursuant to Section 7.2.7(vi).

(ii) within the time limits set forth in Section 7.2.14 [Changes in Organizational Documents], any amendment to the organizational documents of any Loan Party; and

#### 7.3.7. Forecasts, Other Reports and Information.

Promptly upon their becoming available to the Borrower:

(i) the annual forecasts (which each year shall be for at least the three (3) subsequent years) or projections of the Borrower, to be supplied not later than thirty (30) days prior to commencement of the fiscal year to which any of the foregoing may be applicable,

(ii) any reports including management letters submitted to the Company or the Borrower by independent accountants in connection with any annual, interim or special audit,

(iii) any reports, notices or proxy statements generally distributed by the Company to its stockholders on a date no later than the date supplied to such stockholders,

(iv) regular or periodic reports, including Forms 10-K, 10-Q and 8-K, registration statements and prospectuses, filed by the Company with the Securities and Exchange Commission,

(v) a copy of any material order in any material proceeding to which the Borrower, the Company or any of its Subsidiaries is a party issued by any Official Body, and

(vi) such other reports and information as any of the Banks may from time to time reasonably request. The Borrower shall also notify the Banks promptly of the enactment or adoption of any Law which may result in a Material Adverse Change.

#### 7.3.8. NOTICES REGARDING PLANS AND BENEFIT ARRANGEMENTS.

##### 7.3.8.1 CERTAIN EVENTS.

Promptly upon becoming aware of the occurrence thereof, notice (including the nature of the event and, when known, any action taken or threatened by the Internal Revenue Service or the PBGC with respect thereto) of:

(i) any Reportable Event with respect to the Borrower or any other member of the ERISA Group (regardless of whether the obligation to report said Reportable Event to the PBGC has been waived),

(ii) any Prohibited Transaction which could subject the Borrower or any other member of the ERISA Group to a civil penalty assessed pursuant to Section 502(i) of

ERISA or a tax imposed by Section 4975 of the Internal Revenue Code in connection with any Plan, any Benefit Arrangement or any trust created thereunder,

(iii) any assertion of material withdrawal liability with respect to any Multiemployer Plan,

(iv) any partial or complete withdrawal from a Multiemployer Plan by the Borrower or any other member of the ERISA Group under Title IV of ERISA (or assertion thereof), where such withdrawal is likely to result in material withdrawal liability,

(v) any cessation of operations (by the Borrower or any other member of the ERISA Group) at a facility in the circumstances described in Section 4062(e) of ERISA,

(vi) withdrawal by the Borrower or any other member of the ERISA Group from a Multiple Employer Plan,

(vii) a failure by the Borrower or any other member of the ERISA Group to make a payment to a Plan required to avoid imposition of a Lien under Section 302(f) of ERISA,

(viii) the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to Section 307 of ERISA, or

(ix) any change in the actuarial assumptions or funding methods used for any Plan, where the effect of such change is to materially increase or materially reduce the unfunded benefit liability or obligation to make periodic contributions.

#### 7.3.8.2 NOTICES OF INVOLUNTARY TERMINATION AND ANNUAL REPORTS.

Promptly after receipt thereof, copies of (a) all notices received by the Borrower or any other member of the ERISA Group of the PBGC's intent to terminate any Plan administered or maintained by the Borrower or any member of the ERISA Group, or to have a trustee appointed to administer any such Plan; and (b) at the request of the Administrative Agent or any Bank each annual report (IRS Form 5500 series) and all accompanying schedules, the most recent actuarial reports, the most recent financial information concerning the financial status of each Plan administered or maintained by the Borrower or any other member of the ERISA Group, and schedules showing the amounts contributed to each such Plan by or on behalf of the Borrower or any other member of the ERISA Group in which any of their personnel participate or from which such personnel may derive a benefit, and each Schedule B (Actuarial Information) to the annual report filed by the Borrower or any other member of the ERISA Group with the Internal Revenue Service with respect to each such Plan.

## 7.3.8.3 NOTICE OF VOLUNTARY TERMINATION.

Promptly upon the filing thereof, copies of any Form 5310, or any successor or equivalent form to Form 5310, filed with the PBGC in connection with the termination of any Plan.

## 8. DEFAULT

## 8.1 EVENTS OF DEFAULT.

An Event of Default shall mean the occurrence or existence of any one or more of the following events or conditions (whatever the reason therefor and whether voluntary, involuntary or effected by operation of Law):

## 8.1.1. PAYMENTS UNDER LOAN DOCUMENTS.

The Borrower shall fail to pay when due any principal of any Loan (including scheduled installments, mandatory prepayments or the payment due at maturity), Reimbursement Obligation or Letter of Credit Borrowing or shall fail to pay any interest on any Loan, Reimbursement Obligation or Letter of Credit Borrowing or any other amount owing hereunder or under the other Loan Documents (excluding principal on Loans addressed above) within three (3) Business Days after such interest or other amount becomes due in accordance with the terms hereof or thereof;

## 8.1.2. BREACH OF WARRANTY.

Any representation or warranty made at any time by any of the Loan Parties herein or by any of the Loan Parties in any other Loan Document, or in any certificate, other instrument or statement furnished pursuant to the provisions hereof or thereof, shall prove to have been false or misleading in any material respect as of the time it was made or furnished;

## 8.1.3. BREACH OF NEGATIVE COVENANTS OR VISITATION RIGHTS.

Any of the Loan Parties shall default in the observance or performance of any covenant contained in Section 7.1.6 [Visitation Rights] or Section 7.2 [Negative Covenants];

## 8.1.4. BREACH OF OTHER COVENANTS.

Any of the Loan Parties shall default in the observance or performance of any other covenant, condition or provision hereof or of any other Loan Document and such default shall continue unremedied for a period of ten (10) Business Days after any officer of any Loan Party becomes aware of the occurrence thereof (such grace period to be applicable only in the event such default can be remedied by corrective action of the Loan Parties as determined by the Administrative Agent in its sole discretion);

#### 8.1.5. DEFAULTS IN OTHER AGREEMENTS OR INDEBTEDNESS.

A default or event of default shall occur at any time under the terms of any other agreement involving borrowed money or the extension of credit or any other Indebtedness under which any Loan Party or Subsidiary of any Loan Party may be obligated as a borrower or guarantor in excess of \$10,000,000 in the aggregate, and such breach, default or event of default consists of the failure to pay (beyond any period of grace permitted with respect thereto, whether waived or not) any indebtedness when due (whether at stated maturity, by acceleration or otherwise) or if such breach or default permits or causes the acceleration of any indebtedness (whether or not such right shall have been waived) or the termination of any commitment to lend;

#### 8.1.6. FINAL JUDGMENTS OR ORDERS.

Any final judgments or orders for the payment of money in excess of \$10,000,000 in the aggregate shall be entered against any Loan Party by a court having jurisdiction in the premises, which judgment is not discharged, vacated, bonded or stayed pending appeal within a period of sixty (60) days from the date of entry;

#### 8.1.7. LOAN DOCUMENT UNENFORCEABLE.

Any of the Loan Documents shall cease to be legal, valid and binding agreements enforceable against the party executing the same or such party's successors and assigns (as permitted under the Loan Documents) in accordance with the respective terms thereof or shall in any way be terminated (except in accordance with its terms) or become or be declared ineffective or inoperative or shall in any way be challenged or contested or cease to give or provide the remedies, powers or privileges intended to be created thereby;

#### 8.1.8. PROCEEDINGS AGAINST ASSETS.

Any of the Loan Parties' or any of their material Subsidiaries' assets are attached, seized, levied upon or subjected to a writ or distress warrant; or such come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors and the same is not cured within sixty (60) days thereafter;

#### 8.1.9. NOTICE OF LIEN OR ASSESSMENT.

A notice of Lien or assessment in excess of \$10,000,000 which is not a Permitted Lien is filed of record with respect to all or any part of any of the Loan Parties' or any of their Subsidiaries' assets by the United States, or any department, agency or instrumentality thereof, or by any state, county, municipal or other governmental agency, including the PBGC, or any taxes or debts owing at any time or times hereafter to any one of these becomes payable and the same is not paid within thirty (30) days after the same becomes payable;

## 8.1.10. INSOLVENCY.

Any Loan Party or any material Subsidiary of a Loan Party ceases to be solvent or admits in writing its inability to pay its debts as they mature; provided that any Loan Party which does not have any material assets or conduct business may dissolve in the ordinary course of its business;

## 8.1.11. EVENTS RELATING TO PLANS AND BENEFIT ARRANGEMENTS.

Any of the following occurs: (i) any Reportable Event, which the Administrative Agent determines in good faith constitutes grounds for the termination of any Plan by the PBGC or the appointment of a trustee to administer or liquidate any Plan, shall have occurred and be continuing; (ii) proceedings shall have been instituted or other action taken to terminate any Plan, or a termination notice shall have been filed with respect to any Plan; (iii) a trustee shall be appointed to administer or liquidate any Plan; (iv) the PBGC shall give notice of its intent to institute proceedings to terminate any Plan or Plans or to appoint a trustee to administer or liquidate any Plan; and, in the case of the occurrence of (i), (ii), (iii) or (iv) above, the Administrative Agent determines in good faith that the amount of the Loan Parties' liability is likely to exceed 10% of its consolidated tangible net worth; (v) the Borrower or any member of the ERISA Group shall fail to make any contributions when due to a Plan or a Multiemployer Plan; (vi) the Borrower or any other member of the ERISA Group shall make any amendment to a Plan with respect to which security is required under Section 307 of ERISA; (vii) the Borrower or any other member of the ERISA Group shall withdraw completely or partially from a Multiemployer Plan; (viii) the Borrower or any other member of the ERISA Group shall withdraw (or shall be deemed under Section 4062(e) of ERISA to withdraw) from a Multiple Employer Plan; or (ix) any applicable Law is adopted, changed or interpreted by any Official Body with respect to or otherwise affecting one or more Plans, Multiemployer Plans or Benefit Arrangements and, with respect to any of the events specified in (v), (vi), (vii), (viii) or (ix), the Administrative Agent determines in good faith that any such occurrence would be reasonably likely to materially and adversely affect the total enterprise represented by the Borrower and the other members of the ERISA Group;

## 8.1.12. CESSATION OF BUSINESS.

Any Loan Party or Subsidiary of a Loan Party ceases to conduct its business as contemplated, except as expressly permitted under Section 7.2.6 [Liquidations, Mergers, Etc.] or 7.2.7 [Dispositions of Assets or Subsidiaries], or any Loan Party or Subsidiary of a Loan Party is enjoined, restrained or in any way prevented by court order from conducting all or any material part of its business and such injunction, restraint or other preventive order is not dismissed within thirty (30) days after the entry thereof;

## 8.1.13. CHANGE OF CONTROL.

Any person or group of persons (within the meaning of Section 13(a) or 14(a) of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial

ownership of (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) 33.33% or more of the voting capital stock of the Company; or (ii) within a period of twelve (12) consecutive calendar months, individuals who were directors on the board of directors of the Company on the first day of such period together with any directors whose election by such board of directors or whose nomination for election by the shareholders was approved by a vote of the majority of the directors then in office shall cease to constitute a majority of the board of directors of the Company;

#### 8.1.14. INVOLUNTARY PROCEEDINGS.

A proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of any Loan Party or Subsidiary of a Loan Party (except for the Permitted Exception) in an involuntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator, conservator (or similar official) of any Loan Party or Subsidiary of a Loan Party for any substantial part of its property, or for the winding-up or liquidation of its affairs, and such proceeding shall remain undismissed or unstayed and in effect for a period of sixty (60) consecutive days or such court shall enter a decree or order granting any of the relief sought in such proceeding; or

#### 8.1.15. VOLUNTARY PROCEEDINGS.

Any Loan Party or Subsidiary of a Loan Party shall commence a voluntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator, conservator (or other similar official) of itself or for any substantial part of its property or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any action in furtherance of any of the foregoing.

### 8.2 CONSEQUENCES OF EVENT OF DEFAULT.

#### 8.2.1. EVENTS OF DEFAULT OTHER THAN BANKRUPTCY, INSOLVENCY OR REORGANIZATION PROCEEDINGS.

If an Event of Default specified under Sections 8.1.1 through 8.1.13 shall occur and be continuing, the Banks and the Administrative Agent shall be under no further obligation to make Loans or issue Letters of Credit, as the case may be, and the Administrative Agent may, and upon the request of the Required Banks, shall by written notice to the Borrower, take one or more of the following actions: (i) terminate the Commitments and thereupon the Commitments shall be terminated and of no further force and effect, (ii) declare the unpaid principal amount of the Notes then outstanding and all interest accrued thereon, any unpaid fees and all other Indebtedness of the Borrower to the Banks hereunder and thereunder to be forthwith due and payable, and the same shall thereupon become and be immediately due and payable to

the Administrative Agent for the benefit of each Bank without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, and (ii) require the Borrower to, and the Borrower shall thereupon, deposit in an interest-bearing account with the Administrative Agent, as cash collateral for its Obligations under the Loan Documents, an amount equal to the maximum amount currently or at any time thereafter available to be drawn on all outstanding Letters of Credit, and the Borrower hereby pledges to the Administrative Agent and the Banks, and grants to the Administrative Agent and the Banks a security interest in, all such cash as security for such Obligations. Upon the curing of all existing Events of Default to the satisfaction of the Required Banks, the Administrative Agent shall return such cash collateral to the Borrower; and

#### 8.2.2. BANKRUPTCY, INSOLVENCY OR REORGANIZATION PROCEEDINGS.

If an Event of Default specified under Section 8.1.14 [Involuntary Proceedings] or 8.1.15 [Voluntary Proceedings] shall occur, the Commitments shall be terminated, the Banks shall be under no further obligations to make Loans hereunder and the unpaid principal amount of the Loans then outstanding and all interest accrued thereon, any unpaid fees and all other Indebtedness of the Borrower to the Banks hereunder and thereunder shall be immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived; and

#### 8.2.3. SET-OFF.

If an Event of Default shall occur and be continuing, any Bank to whom any Obligation is owed by any Loan Party hereunder or under any other Loan Document or any participant of such Bank which has agreed in writing to be bound by the provisions of Section 9.13 [Equalization of Banks] and any branch, Subsidiary or Affiliate of such Bank or participant anywhere in the world shall have the right, in addition to all other rights and remedies available to it, without notice to such Loan Party, to set-off against and apply to the then unpaid balance of all the Loans and all other Obligations of the Borrower and the other Loan Parties hereunder or under any other Loan Document any debt owing to, and any other funds held in any manner for the account of, the Borrower or such other Loan Party by such Bank or participant or by such branch, Subsidiary or Affiliate, including all funds in all deposit accounts (whether time or demand, general or special, provisionally credited or finally credited, or otherwise) now or hereafter maintained by the Borrower or such other Loan Party for its own account (but not including funds held in custodian or trust accounts) with such Bank or participant or such branch, Subsidiary or Affiliate. Such right shall exist whether or not any Bank or the Administrative Agent shall have made any demand under this Agreement or any other Loan Document, whether or not such debt owing to or funds held for the account of the Borrower or such other Loan Party is or are matured or unmatured and regardless of the existence or adequacy of any Guaranty or any other security, right or remedy available to any Bank or the Administrative Agent; and

#### 8.2.4. SUITS, ACTIONS, PROCEEDINGS.

If an Event of Default shall occur and be continuing, and whether or not the Administrative Agent shall have accelerated the maturity of Loans pursuant to any of the foregoing provisions of this Section 8.2, the Administrative Agent or, with the approval of the Required Banks, any Bank if owed any amount with respect to the Loans, may proceed to protect and enforce its rights by suit in equity, action at law and/or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Agreement or the other Loan Documents, including as permitted by applicable Law the obtaining of the EX PARTE appointment of a receiver, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right of the Administrative Agent or such Bank; and

#### 8.2.5. APPLICATION OF PROCEEDS.

From and after the date on which the Administrative Agent has taken any action pursuant to this Section 8.2 and until all Obligations of the Loan Parties have been paid in full, any and all proceeds received by the Administrative Agent from the exercise of any other remedy by the Administrative Agent, shall be applied as follows:

(i) first, to reimburse the Administrative Agent and the Banks for out-of-pocket costs, expenses and disbursements, including reasonable attorneys' and paralegals' fees and legal expenses, incurred by the Administrative Agent or the Banks in connection with collection of any Obligations of any of the Loan Parties under any of the Loan Documents;

(ii) second, to the repayment of all Indebtedness then due and unpaid of the Loan Parties to the Banks incurred under this Agreement or any of the other Loan Documents, whether of principal, interest, fees, expenses or otherwise, in such manner as the Administrative Agent may determine in its discretion; and

(iii) the balance, if any, as required by Law.

#### 8.2.6. OTHER RIGHTS AND REMEDIES.

In addition to all of the rights and remedies contained in this Agreement or in any of the other Loan Documents, the Administrative Agent shall have all of the rights and remedies under applicable Law, all of which rights and remedies shall be cumulative and non-exclusive, to the extent permitted by Law. The Administrative Agent may, and upon the request of the Required Banks shall, exercise all post-default rights granted to the Administrative Agent and the Banks under the Loan Documents or applicable Law.

## 9. THE ADMINISTRATIVE AGENT

## 9.1 APPOINTMENT.

Each Bank hereby irrevocably designates, appoints and authorizes National City Bank to act as Administrative Agent for such Bank under this Agreement and to execute and deliver or accept on behalf of each of the Banks the other Loan Documents. Each Bank hereby irrevocably authorizes, and each holder of any Note by the acceptance of a Note shall be deemed irrevocably to authorize, the Administrative Agent to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and any other instruments and agreements referred to herein, and to exercise such powers and to perform such duties hereunder as are specifically delegated to or required of the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto. National City Bank agrees to act as the Administrative Agent on behalf of the Banks to the extent provided in this Agreement.

## 9.2 DELEGATION OF DUTIES.

The Administrative Agent may perform any of its duties hereunder by or through agents or employees (PROVIDED such delegation does not constitute a relinquishment of its duties as Administrative Agent) and, subject to Sections 9.5 [Reimbursement of Administrative Agent by Borrower, Etc.] and 9.6 [Exculpatory Provisions; Limitation of Liability], shall be entitled to engage and pay for the advice or services of any attorneys, accountants or other experts concerning all matters pertaining to its duties hereunder and to rely upon any advice so obtained.

## 9.3 NATURE OF DUTIES; INDEPENDENT CREDIT INVESTIGATION.

The Administrative Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and no implied covenants, functions, responsibilities, duties, obligations, or liabilities shall be read into this Agreement or otherwise exist. The duties of the Administrative Agent shall be mechanical and administrative in nature; the Administrative Agent shall not have by reason of this Agreement a fiduciary or trust relationship in respect of any Bank; and nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon the Administrative Agent any obligations in respect of this Agreement except as expressly set forth herein. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. Each Bank expressly acknowledges (i) that the Administrative Agent has not made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of any of the Loan Parties, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Bank; (ii) that it has made and will continue to make, without reliance upon the Administrative Agent, its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of each of the Loan Parties in connection with this Agreement and the making

and continuance of the Loans hereunder; and (iii) except as expressly provided herein, that the Administrative Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Bank with any credit or other information with respect thereto, whether coming into its possession before the making of any Loan or at any time or times thereafter.

#### 9.4 ACTIONS IN DISCRETION OF ADMINISTRATIVE AGENT; INSTRUCTIONS FROM THE BANKS.

The Administrative Agent agrees, upon the written request of the Required Banks, to take or refrain from taking any action of the type specified as being within the Administrative Agent's rights, powers or discretion herein, PROVIDED that the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to this Agreement or any other Loan Document or applicable Law. In the absence of a request by the Required Banks, the Administrative Agent shall have authority, in its sole discretion, to take or not to take any such action, unless this Agreement specifically requires the consent of the Required Banks or all of the Banks. Any action taken or failure to act pursuant to such instructions or discretion shall be binding on the Banks, subject to Section 9.6 [Exculpatory Provisions, Etc.]. Subject to the provisions of Section 9.6, no Bank shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or refraining from acting hereunder in accordance with the instructions of the Required Banks, or in the absence of such instructions, in the absolute discretion of the Administrative Agent.

#### 9.5 REIMBURSEMENT AND INDEMNIFICATION OF ADMINISTRATIVE AGENT BY THE BORROWER.

The Borrower unconditionally agrees to pay or reimburse the Administrative Agent and hold the Administrative Agent harmless against (a) liability for the payment of all reasonable out-of-pocket costs, expenses and disbursements, including fees and expenses of counsel (including the allocated costs of staff counsel), appraisers and environmental consultants, incurred by the Administrative Agent (i) in connection with the development, negotiation, preparation, printing, execution, administration, syndication, interpretation and performance of this Agreement and the other Loan Documents, (ii) relating to any requested amendments, waivers or consents pursuant to the provisions hereof, (iii) in connection with the enforcement of this Agreement or any other Loan Document or collection of amounts due hereunder or thereunder or the proof and allowability of any claim arising under this Agreement or any other Loan Document, whether in bankruptcy or receivership proceedings or otherwise, and (iv) in any workout or restructuring or in connection with the protection, preservation, exercise or enforcement of any of the terms hereof or of any rights hereunder or under any other Loan Document or in connection with any foreclosure, collection or bankruptcy proceedings, and (b) all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent, in its capacity as such, in any way relating to or arising out of this Agreement or any other Loan Documents or any action taken or omitted by the Administrative Agent hereunder or thereunder, PROVIDED that the Borrower shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements if the same results from the Administrative Agent's gross negligence or willful misconduct, or if the Borrower was not given notice of the subject claim

and the opportunity to participate in the defense thereof, at its expense (except that the Borrower shall remain liable to the extent such failure to give notice does not result in a loss to the Borrower), or if the same results from a compromise or settlement agreement entered into without the consent of the Borrower, which shall not be unreasonably withheld. In addition, the Borrower agrees to reimburse and pay all reasonable out-of-pocket expenses of the Administrative Agent's regular employees and agents engaged periodically to perform audits of the Loan Parties' books, records and business properties.

#### 9.6 EXCULPATORY PROVISIONS; LIMITATION OF LIABILITY.

Neither the Administrative Agent nor any of its directors, officers, employees, agents, attorneys or Affiliates shall (a) be liable to any Bank for any action taken or omitted to be taken by it or them hereunder, or in connection herewith including pursuant to any Loan Document, unless caused by its or their own gross negligence or willful misconduct, (b) be responsible in any manner to any of the Banks for the effectiveness, enforceability, genuineness, validity or the due execution of this Agreement or any other Loan Documents or for any recital, representation, warranty, document, certificate, report or statement herein or made or furnished under or in connection with this Agreement or any other Loan Documents, or (c) be under any obligation to any of the Banks to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions hereof or thereof on the part of the Loan Parties, or the financial condition of the Loan Parties, or the existence or possible existence of any Event of Default or Potential Default. No claim may be made by any of the Loan Parties, any Bank, the Administrative Agent or any of their respective Subsidiaries against the Administrative Agent, any Bank or any of their respective directors, officers, employees, agents, attorneys or Affiliates, or any of them, for any special, indirect or consequential damages or, to the fullest extent permitted by Law, for any punitive damages in respect of any claim or cause of action (whether based on contract, tort, statutory liability, or any other ground) based on, arising out of or related to any Loan Document or the transactions contemplated hereby or any act, omission or event occurring in connection therewith, including the negotiation, documentation, administration or collection of the Loans, and each of the [Loan Parties, (for itself and on behalf of each of its Subsidiaries)], the Administrative Agent and each Bank hereby waive, releases and agree never to sue upon any claim for any such damages, whether such claim now exists or hereafter arises and whether or not it is now known or suspected to exist in its favor. Each Bank agrees that, except for notices, reports and other documents expressly required to be furnished to the Banks by the Administrative Agent hereunder or given to the Administrative Agent for the account of or with copies for the Banks, the Administrative Agent and each of its directors, officers, employees, agents, attorneys or Affiliates shall not have any duty or responsibility to provide any Bank with an credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Loan Parties which may come into the possession of the Administrative Agent or any of its directors, officers, employees, agents, attorneys or Affiliates.

#### 9.7 REIMBURSEMENT AND INDEMNIFICATION OF ADMINISTRATIVE AGENT BY BANKS.

Each Bank agrees to reimburse and indemnify the Administrative Agent (to the extent not reimbursed by the Borrower and without limiting the Obligation of the Borrower to do so) in proportion to its Ratable Share from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements, including attorneys' fees and disbursements (including the allocated costs of staff counsel), and costs of appraisers and environmental consultants, of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent, in its capacity as such, in any way relating to or arising out of this Agreement or any other Loan Documents or any action taken or omitted by the Administrative Agent hereunder or thereunder, PROVIDED that no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (a) if the same results from the Administrative Agent's gross negligence or willful misconduct, or (b) if such Bank was not given notice of the subject claim and the opportunity to participate in the defense thereof, at its expense (except that such Bank shall remain liable to the extent such failure to give notice does not result in a loss to the Bank), or (c) if the same results from a compromise and settlement agreement entered into without the consent of such Bank, which shall not be unreasonably withheld. In addition, each Bank agrees promptly upon demand to reimburse the Administrative Agent (to the extent not reimbursed by the Borrower and without limiting the Obligation of the Borrower to do so) in proportion to its Ratable Share for all amounts due and payable by the Borrower to the Administrative Agent in connection with the Administrative Agent's periodic audit of the Loan Parties' books, records and business properties.

#### 9.8 RELIANCE BY ADMINISTRATIVE AGENT.

The Administrative Agent shall be entitled to rely upon any writing, telegram, telex or teletype message, resolution, notice, consent, certificate, letter, cablegram, statement, order or other document or conversation by telephone or otherwise believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon the advice and opinions of counsel and other professional advisers selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action hereunder unless it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

#### 9.9 NOTICE OF DEFAULT.

The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Potential Default or Event of Default unless the Administrative Agent has received written notice from a Bank or the Borrower referring to this Agreement, describing such Potential Default or Event of Default and stating that such notice is a "notice of default."

## 9.10 NOTICES.

The Administrative Agent shall promptly send to each Bank a copy of all notices received from the Borrower pursuant to the provisions of this Agreement or the other Loan Documents promptly upon receipt thereof. The Administrative Agent shall promptly notify the Borrower and the other Banks of each change in the Alternate Base Rate and the effective date thereof.

## 9.11 BANKS IN THEIR INDIVIDUAL CAPACITIES; ADMINISTRATIVE AGENT IN ITS INDIVIDUAL CAPACITY.

With respect to its Revolving Credit Commitment and the Revolving Credit Loans the 364-Day Loan Commitment and 364-Day Loans made by it and any other rights and powers given to it as a Bank hereunder or under any of the other Loan Documents, the Administrative Agent shall have the same rights and powers hereunder as any other Bank and may exercise the same as though it were not the Administrative Agent, and the term "Bank" and "Banks" shall, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. National City Bank and its Affiliates and each of the Banks and their respective Affiliates may, without liability to account, except as prohibited herein, make loans to, issue letters of credit for the account of, acquire equity interests in, accept deposits from, discount drafts for, act as trustee under indentures of, and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with, the Loan Parties and their Affiliates, in the case of the Administrative Agent, as though it were not acting as Administrative Agent hereunder and in the case of each Bank, as though such Bank were not a Bank hereunder, in each case without notice to or consent of the other Banks. The Banks acknowledge that, pursuant to such activities, the Administrative Agent or its Affiliates may (i) receive information regarding the Loan Parties or any of their Subsidiaries or Affiliates (including information that may be subject to confidentiality obligations in favor of the Loan Parties or such Subsidiary or Affiliate) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them, and (ii) accept fees and other consideration from the Loan Parties for services in connection with this Agreement and otherwise without having to account for the same to the Banks.

## 9.12 HOLDERS OF NOTES.

The Administrative Agent may deem and treat any payee of any Note as the owner thereof for all purposes hereof unless and until written notice of the assignment or transfer thereof shall have been filed with the Administrative Agent. Any request, authority or consent of any Person who at the time of making such request or giving such authority or consent is the holder of any Note shall be conclusive and binding on any subsequent holder, transferee or assignee of such Note or of any Note or Notes issued in exchange therefor.

### 9.13 EQUALIZATION OF BANKS.

The Banks and the holders of any participations in any Notes agree among themselves that, with respect to all amounts received by any Bank or any such holder for application on any Obligation hereunder or under any Note or under any such participation, whether received by voluntary payment, by realization upon security, by the exercise of the right of set-off or banker's lien, by counterclaim or by any other non-pro rata source, equitable adjustment will be made in the manner stated in the following sentence so that, in effect, all such excess amounts will be shared ratably among the Banks and such holders in proportion to their interests in payments under the Notes, except as otherwise provided in Section 3.4.3 [Administrative Agent's and Bank's Rights], 4.4.2 [Replacement of a Bank] or 4.6 [Additional Compensation in Certain Circumstances]. The Banks or any such holder receiving any such amount shall purchase for cash from each of the other Banks an interest in such Bank's Loans in such amount as shall result in a ratable participation by the Banks and each such holder in the aggregate unpaid amount under the Notes, PROVIDED that if all or any portion of such excess amount is thereafter recovered from the Bank or the holder making such purchase, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, together with interest or other amounts, if any, required by law (including court order) to be paid by the Bank or the holder making such purchase.

### 9.14 SUCCESSOR ADMINISTRATIVE AGENT.

The Administrative Agent (i) may resign as Administrative Agent or (ii) shall resign if such resignation is requested by the Required Banks (if the Administrative Agent is a Bank, the Administrative Agent's Loans and its Commitment shall be considered in determining whether the Required Banks have requested such resignation) or required by Section 4.4.2 [Replacement of a Bank], in either case of (i) or (ii) by giving not less than thirty (30) days' prior written notice to the Borrower. If the Administrative Agent shall resign under this Agreement, then either (a) the Required Banks shall appoint from among the Banks a successor agent for the Banks, subject to the consent of the Borrower, such consent not to be unreasonably withheld, or (b) if a successor agent shall not be so appointed and approved within the thirty (30) day period following the Administrative Agent's notice to the Banks of its resignation, then the Administrative Agent shall appoint, with the consent of the Borrower, such consent not to be unreasonably withheld, a successor agent who shall serve as Administrative Agent until such time as the Required Banks appoint and the Borrower consents to the appointment of a successor agent. Upon its appointment pursuant to either clause (a) or (b) above, such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent, effective upon its appointment, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement. After the resignation of any Administrative Agent hereunder, the provisions of this Section 9 shall inure to the benefit of such former Administrative Agent and such former Administrative Agent shall not by reason of such resignation be deemed to be released from liability for any actions taken or not taken by it while it was an Administrative Agent under this Agreement.

## 9.15 ADMINISTRATIVE AGENT'S FEE.

The Borrower shall pay to the Administrative Agent a nonrefundable fee (the "Administrative Agent's Fee") under the terms of a letter (the "Administrative Agent's Letter") between the Borrower and Administrative Agent, as amended from time to time.

## 9.16 AVAILABILITY OF FUNDS.

The Administrative Agent may assume that each Bank has made or will make the proceeds of a Loan available to the Administrative Agent unless the Administrative Agent shall have been notified by such Bank on or before the later of (1) the close of Business on the Business Day preceding the Borrowing Date with respect to such Loan or two (2) hours before the time on which the Administrative Agent actually funds the proceeds of such Loan to the Borrower (whether using its own funds pursuant to this Section 9.16 or using proceeds deposited with the Administrative Agent by the Banks and whether such funding occurs before or after the time on which Banks are required to deposit the proceeds of such Loan with the Administrative Agent). The Administrative Agent may, in reliance upon such assumption (but shall not be required to), make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Bank, the Administrative Agent shall be entitled to recover such amount on demand from such Bank (or, if such Bank fails to pay such amount forthwith upon such demand from the Borrower) together with interest thereon, in respect of each day during the period commencing on the date such amount was made available to the Borrower and ending on the date the Administrative Agent recovers such amount, at a rate per annum equal to (i) the Federal Funds Effective Rate during the first three (3) days after such interest shall begin to accrue and (ii) the applicable interest rate in respect of such Loan after the end of such three-day period.

## 9.17 CALCULATIONS.

In the absence of gross negligence or willful misconduct, the Administrative Agent shall not be liable for any error in computing the amount payable to any Bank whether in respect of the Loans, fees or any other amounts due to the Banks under this Agreement. In the event an error in computing any amount payable to any Bank is made, the Administrative Agent, the Borrower and each affected Bank shall, forthwith upon discovery of such error, make such adjustments as shall be required to correct such error, and any compensation therefor will be calculated at the Federal Funds Effective Rate.

## 9.18 BENEFICIARIES.

Except as expressly provided herein, the provisions of this Section 9 are solely for the benefit of the Administrative Agent and the Banks, and the Loan Parties shall not have any rights to rely on or enforce any of the provisions hereof. In performing its functions and duties under this Agreement, the Administrative Agent shall act solely as agent of the Banks and does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for any of the Loan Parties.

9.19 ABSENCE OF DUTIES OF DOCUMENTATION AGENTS, MANAGING AGENTS AND SYNDICATION AGENT.

The Documentation Agents, Managing Agents and the Syndication Agent referenced on the cover page shall have no rights, obligations, powers or duties under this Agreement in such agency roles.

10. MISCELLANEOUS

10.1 MODIFICATIONS, AMENDMENTS OR WAIVERS.

With the written consent of the Required Banks, the Administrative Agent, acting on behalf of all the Banks, and the Borrower, on behalf of the Loan Parties, may from time to time enter into written agreements amending or changing any provision of this Agreement or any other Loan Document or the rights of the Banks or the Loan Parties hereunder or thereunder, or may grant written waivers or consents to a departure from the due performance of the Obligations of the Loan Parties hereunder or thereunder. Any such agreement, waiver or consent made with such written consent shall be effective to bind all the Banks and the Loan Parties; provided, that, without the written consent of all the Banks, no such agreement, waiver or consent may be made which will:

10.1.1. INCREASE OF COMMITMENT; EXTENSION OF EXPIRATION DATE.

Increase the amount of the Revolving Credit Commitment or 364-Day Loan Commitment of any Bank hereunder or extend the Revolving Credit Expiration Date or 364-Day Loan Expiration Date (except as provided in Section 2.11);

10.1.2. EXTENSION OF PAYMENT; REDUCTION OF PRINCIPAL INTEREST OR FEES; MODIFICATION OF TERMS OF PAYMENT.

Whether or not any Loans are outstanding, extend the time for payment of principal or interest of any Loan (excluding the due date of any mandatory prepayment of a Loan or any mandatory Commitment reduction in connection with such a mandatory prepayment hereunder except for mandatory reductions of the Commitments on the Revolving Credit Expiration Date or the 364-Day Expiration Date), the Facility Fee or any other fee payable to any Bank, or reduce the principal amount of or the rate of interest borne by any Loan or reduce the Facility Fee or any other fee payable to any Bank, or otherwise affect the terms of payment of the principal of or interest of any Loan, the Facility Fee or any other fee payable to any Bank;

10.1.3. RELEASE OF GUARANTOR.

Except for sales of assets permitted by Section 7.2.7 [Disposition of Assets or Subsidiaries], release any Guarantor from its Obligations under the Guaranty Agreement or any other security for any of the Loan Parties' Obligations; or

## 10.1.4. MISCELLANEOUS.

Amend Section 4.2 [Pro Rata Treatment of Banks], 9.6 [Exculpatory Provisions, Etc.] or 9.13 [Equalization of Banks] or this Section 10.1, alter any provision regarding the pro rata treatment of the Banks, change the definition of Required Banks, or change any requirement providing for the Banks or the Required Banks to authorize the taking of any action hereunder.

No agreement, waiver or consent which would modify the interests, rights or obligations of the Documentation Agents in their capacity as Documentation Agents, of the Administrative Agent in its capacity as Administrative Agent or shall be effective without the written consent of the Documentation Agents or the Administrative Agent, respectively.

## 10.2 NO IMPLIED WAIVERS; CUMULATIVE REMEDIES; WRITING REQUIRED.

No course of dealing and no delay or failure of the Documentation Agents, the Administrative Agent or any Bank in exercising any right, power, remedy or privilege under this Agreement or any other Loan Document shall affect any other or future exercise thereof or operate as a waiver thereof, nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power, remedy or privilege preclude any further exercise thereof or of any other right, power, remedy or privilege. The rights and remedies of the Administrative Agent, the Issuing Letter of Credit Banks and the Banks under this Agreement and any other Loan Documents are cumulative and not exclusive of any rights or remedies which they would otherwise have. Any waiver, permit, consent or approval of any kind or character on the part of any Bank of any breach or default under this Agreement or any such waiver of any provision or condition of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing.

## 10.3 REIMBURSEMENT AND INDEMNIFICATION OF BANKS BY THE BORROWER; TAXES.

The Borrower agrees unconditionally upon demand to pay or reimburse to each Bank (other than the Administrative Agent and the Documentation Agents, as to which the Borrower's Obligations are set forth in Section 9.5 [Reimbursement of Administrative Agent By Borrower, Etc.]) and to save such Bank harmless against (i) liability for the payment of all reasonable out-of-pocket costs, expenses and disbursements (including fees and expenses of counsel (including allocated costs of staff counsel) for each Bank except with respect to (a) and (b) below), incurred by such Bank (a) in connection with the administration and interpretation of this Agreement, and other instruments and documents to be delivered hereunder, (b) relating to any amendments, waivers or consents pursuant to the provisions hereof, (c) in connection with the enforcement of this Agreement or any other Loan Document, or collection of amounts due hereunder or thereunder or the proof and allowability of any claim arising under this Agreement or any other Loan Document, whether in bankruptcy or receivership proceedings or otherwise, and (d) in any workout or restructuring or in connection with the protection, preservation, exercise or enforcement of any of the terms hereof or of any rights hereunder or under any other Loan Document or in connection with any foreclosure, collection or bankruptcy proceedings, or

(ii) all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against such Bank, in its capacity as such, in any way relating to or arising out of this Agreement or any other Loan Documents or any action taken or omitted by such Bank hereunder or thereunder, PROVIDED that the Borrower shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (A) if the same results from such Bank's gross negligence or willful misconduct, or (B) if the Borrower was not given notice of the subject claim and the opportunity to participate in the defense thereof, at its expense (except that the Borrower shall remain liable to the extent such failure to give notice does not result in a loss to the Borrower), or (C) if the same results from a compromise or settlement agreement entered into without the consent of the Borrower, which shall not be unreasonably withheld. The Banks will attempt to minimize the fees and expenses of legal counsel for the Banks which are subject to reimbursement by the Borrower hereunder by considering the usage of one law firm to represent the Banks and the Administrative Agent if appropriate under the circumstances. The Borrower agrees unconditionally to pay all stamp, document, transfer, recording or filing taxes or fees and similar impositions now or hereafter determined by the Administrative Agent or any Bank to be payable in connection with this Agreement or any other Loan Document, and the Borrower agrees unconditionally to save the Administrative Agent and the Banks harmless from and against any and all present or future claims, liabilities or losses with respect to or resulting from any omission by any of the Loan Parties to pay or delay in paying any such taxes, fees or impositions.

#### 10.4 HOLIDAYS.

Whenever payment of a Loan to be made or taken hereunder shall be due on a day which is not a Business Day such payment shall be due on the next Business Day (except as provided in Section 3.2 [Interest Periods] with respect to Interest Periods under the Euro-Rate Option) and such extension of time shall be included in computing interest and fees, except that the Loans shall be due on the Business Day preceding the Revolving Credit Expiration Date or 364-Day Loan Expiration Date if such Expiration Date is not a Business Day. Whenever any payment or action to be made or taken hereunder (other than payment of the Loans) shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day, and such extension of time shall not be included in computing interest or fees, if any, in connection with such payment or action.

#### 10.5 FUNDING BY BRANCH, SUBSIDIARY OR AFFILIATE.

##### 10.5.1. NOTIONAL FUNDING.

Each Bank shall have the right from time to time, without notice to the Borrower, to deem any branch, Subsidiary or Affiliate (which for the purposes of this Section 10.5 shall mean any corporation or association which is directly or indirectly controlled by or is under direct or indirect common control with any corporation or association which directly or indirectly controls such Bank) of such Bank to have made, maintained or funded any Loan to which the Euro-Rate Option applies at any time, PROVIDED that immediately following

(on the assumption that a payment were then due from the Borrower to such other office), and as a result of such change, the Borrower would not be under any greater financial obligation pursuant to Section 4.6 [Additional Compensation in Certain Circumstances] than it would have been in the absence of such change. Notional funding offices may be selected by each Bank without regard to such Bank's actual methods of making, maintaining or funding the Loans or any sources of funding actually used by or available to such Bank. 10.5.2. ACTUAL FUNDING.

Each Bank shall have the right from time to time to make or maintain any Loan by arranging for a branch, Subsidiary or Affiliate of such Bank to make or maintain such Loan subject to the last sentence of this Section 10.5.2. If any Bank causes a branch, Subsidiary or Affiliate to make or maintain any part of the Loans hereunder, all terms and conditions of this Agreement shall, except where the context clearly requires otherwise, be applicable to such part of the Loans to the same extent as if such Loans were made or maintained by such Bank, but in no event shall any Bank's use of such a branch, Subsidiary or Affiliate to make or maintain any part of the Loans hereunder cause such Bank or such branch, Subsidiary or Affiliate to incur any cost or expenses payable by the Borrower hereunder or require the Borrower to pay any other compensation to any Bank (including any expenses incurred or payable pursuant to Section 4.6 [Additional Compensation in Certain Circumstances]) which would otherwise not be incurred.

#### 10.6 NOTICES.

Any notice, request, demand, direction or other communication (for purposes of this Section 10.6 only, a "Notice") to be given to or made upon any party hereto under any provision of this Agreement shall be given or made by telephone or in writing (which includes means of electronic transmission (i.e., "e-mail") or facsimile transmission or by setting forth such Notice on a site on the World Wide Web (a "Website Posting") if Notice of such Website Posting (including the information necessary to access such site) has previously been delivered to the applicable parties hereto by another means set forth in this Section 10.6) in accordance with this Section 10.6. Any such Notice must be delivered to the applicable parties hereto at the addresses and numbers set forth under their respective names on SCHEDULE 1.1(B) hereof or in accordance with any subsequent unrevoked Notice from any such party that is given in accordance with this Section 10.6. Any Notice shall be effective:

(i) In the case of hand-delivery, when delivered;

(ii) If given by mail, four days after such Notice is deposited with the United States Postal Service, with first-class postage prepaid, return receipt requested;

(iii) In the case of a telephonic Notice, when a party is contacted by telephone, if delivery of such telephonic Notice is confirmed no later than the next Business Day by hand delivery, a facsimile or electronic transmission, a Website Posting or overnight courier delivery of a confirmatory notice (received at or before noon on such next Business Day);

(iv) In the case of a facsimile transmission, when sent to the applicable party's facsimile machine's telephone number if the party sending such Notice receives confirmation of the delivery thereof from its own facsimile machine;

(v) In the case of electronic transmission, when actually received;

(vi) In the case of a Website Posting, upon delivery of a Notice of such posting (including the information necessary to access such web site) by another means set forth in this Section 10.6; and

(vii) If given by any other means (including by overnight courier), when actually received.

Any Bank giving a Notice to a Loan Party shall concurrently send a copy thereof to the Administrative Agent, and the Administrative Agent shall promptly notify the other Banks of its receipt of such Notice.

#### 10.7 SEVERABILITY.

The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

#### 10.8 GOVERNING LAW.

Each Letter of Credit and Section 2.10 [Letter of Credit Subfacility] shall be subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500 or the International Standby Practices 98 (if provided for in the applicable application for such Letter of Credit), as the same may be revised or amended from time to time, and to the extent not inconsistent therewith, the internal laws of the State of Ohio without regard to its conflict of laws principles, and the balance of this Agreement shall be deemed to be a contract under the Laws of the State of Ohio and for all purposes shall be governed by and construed and enforced in accordance with the internal laws of the State of Ohio without regard to its conflict of laws principles.

#### 10.9 PRIOR UNDERSTANDING.

This Agreement and the other Loan Documents supersede all prior understandings and agreements, whether written or oral, between the parties hereto and thereto relating to the transactions provided for herein and therein, including any prior confidentiality agreements and commitments.

## 10.10 DURATION; SURVIVAL.

All representations and warranties of the Loan Parties contained herein or made in connection herewith shall survive the making of Loans and issuance of Letters of Credit and shall not be waived by the execution and delivery of this Agreement, any investigation by the Administrative Agent or the Banks, the making of Loans, issuance of Letters of Credit, or payment in full of the Loans. All covenants and agreements of the Loan Parties contained in Sections 7.1 [Affirmative Covenants], 7.2 [Negative Covenants] and 7.2.21 [Reporting Requirements] herein shall continue in full force and effect from and after the date hereof so long as the Borrower may borrow or request Letters of Credit hereunder and until termination of the Commitments and payment in full of the Loans and expiration or termination of all Letters of Credit. All covenants and agreements of the Borrower contained herein relating to the payment of principal, interest, premiums, additional compensation or expenses and indemnification, including those set forth in the Notes, Section 4 [Payments] and Sections 9.5 [Reimbursement of Administrative Agent by Borrower, Etc.], 9.7 [Reimbursement of Administrative Agent by Banks, Etc.] and 10.3 [Reimbursement of Banks by Borrower; Etc.], shall survive payment in full of the Loans, expiration or termination of the Letters of Credit and termination of the Commitments.

## 10.11 SUCCESSORS AND ASSIGNS.

(i) This Agreement shall be binding upon and shall inure to the benefit of the Banks, the Administrative Agent, the Loan Parties and their respective successors and assigns, except that none of the Loan Parties may assign or transfer any of its rights and Obligations hereunder or any interest herein without consent of all of the Banks. Each Bank may, at its own cost, make assignments of or sell participations in all or any part of its Commitment and the Loans made by it to one or more banks or other entities, subject to the consent of the Borrower and the Administrative Agent with respect to any assignee, such consents not to be unreasonably withheld, PROVIDED that (1) no consent of the Borrower shall be required (A) if an Event of Default exists and is continuing, or (B) in the case of an assignment by a Bank to an Affiliate of such Bank, (2) any assignment by a Bank to a Person other than an Affiliate of such Bank may not be made (a) in amounts less than \$5,000,000 or (b) in an amount which would cause the assigning Bank to hold a Commitment after such assignment which is greater than zero but less than \$5,000,000, and (3) any Bank which assigns any portion of its Commitment shall assign a percentage of its Revolving Credit Commitment which equals the percentage of its 364-Day Loan Commitment which it is assigning. In the case of an assignment, upon receipt by the Administrative Agent of the Assignment and Assumption Agreement, the assignee shall have, to the extent of such assignment (unless otherwise provided therein), the same rights, benefits and obligations as it would have if it had been a signatory Bank hereunder, the Commitments shall be adjusted accordingly, and upon surrender of any Note subject to such assignment, the Borrower shall execute and deliver new Notes to the assignee in an amount equal to the amount of the Revolving Credit Commitment and 364-Day Loan Commitment, as applicable, assumed by it and a new Revolving Credit Note or 364-Day Loan Note to the assigning Bank in an amount equal to the Revolving Credit Commitment or 364-Day Loan Commitment, as applicable, retained by it hereunder. Any Bank which assigns any or all of its

Commitment or Loans to a Person other than an Affiliate of such Bank shall pay to the Administrative Agent a service fee in the amount of \$3,500 for each assignment. In the case of a participation, the participant shall only have the rights specified in Section 8.2.3 [Set-off] (the participant's rights against such Bank in respect of such participation to be those set forth in the agreement executed by such Bank in favor of the participant relating thereto and not to include any voting rights except with respect to changes of the type referenced in Sections 10.1.1 [Increase of Commitment, Etc.], 10.1.2 [Extension of Payment, Etc.], or 10.1.3 [Release of Guarantor]), all of such Bank's obligations under this Agreement or any other Loan Document shall remain unchanged, and all amounts payable by any Loan Party hereunder or thereunder shall be determined as if such Bank had not sold such participation.

(ii) Any assignee or participant which is not incorporated under the Laws of the United States of America or a state thereof shall deliver to the Borrower and the Administrative Agent the form of certificate described in Section 10.17 [Tax Withholding Clause] relating to federal income tax withholding. Each Bank may furnish any publicly available information concerning any Loan Party or its Subsidiaries and any other information concerning any Loan Party or its Subsidiaries in the possession of such Bank from time to time to assignees and participants (including prospective assignees or participants), PROVIDED that such assignees and participants agree to be bound by the provisions of Section 10.12 [Confidentiality].

(iii) Notwithstanding any other provision in this Agreement, any Bank may at any time pledge or grant a security interest in all or any portion of its rights under this Agreement, its Note and the other Loan Documents to any Federal Reserve Bank in accordance with Regulation A of the FRB or U.S. Treasury Regulation 31 CFR Section 203.14 without notice to or consent of the Borrower or the Administrative Agent. No such pledge or grant of a security interest shall release the transferor Bank of its obligations hereunder or under any other Loan Document.

#### 10.12 CONFIDENTIALITY.

##### 10.12.1. GENERAL.

The Administrative Agent and the Banks each agree to keep confidential all information obtained from any Loan Party or its Subsidiaries which is nonpublic and confidential or proprietary in nature (including any information the Borrower specifically designates as confidential), except as provided below, and to use such information only in connection with their respective capacities under this Agreement and for the purposes contemplated hereby. The Administrative Agent and the Banks shall be permitted to disclose such information (i) to outside legal counsel, accountants and other professional advisors who need to know such information in connection with the administration and enforcement of this Agreement, subject to agreement of such Persons to maintain the confidentiality, (ii) to assignees and participants as contemplated by Section 10.11, and prospective assignees and participants (who shall otherwise agree to be bound by the provisions of this Section 10.12.1 even if they do not become a Purchasing Bank), (iii) to the extent requested by any bank regulatory authority or, with notice to the Borrower, as otherwise required by applicable Law or by any subpoena or

similar legal process, or in connection with any investigation or proceeding arising out of the transactions contemplated by this Agreement, (iv) if it becomes publicly available other than as a result of a breach of this Agreement or becomes available from a source not known to be subject to confidentiality restrictions, or (v) if the Borrower shall have consented to such disclosure.

#### 10.12.2. SHARING INFORMATION WITH AFFILIATES OF THE BANKS.

Each Loan Party acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to the Borrower or one or more of its Affiliates (in connection with this Agreement or otherwise) by any Bank or by one or more Subsidiaries or Affiliates of such Bank and each of the Loan Parties hereby authorizes each Bank to share any information delivered to such Bank by such Loan Party and its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Bank to enter into this Agreement, to any such Subsidiary or Affiliate of such Bank, it being understood that any such Subsidiary or affiliate of any Bank receiving such information shall be bound by the provisions of Section 10.12.1 as if it were a Bank hereunder. Such Authorization shall survive the repayment of the Loans and other Obligations and the termination of the Commitments.

#### 10.13 COUNTERPARTS.

This Agreement may be executed by different parties hereto on any number of separate counterparts, each of which, when so executed and delivered, shall be an original, and all such counterparts shall together constitute one and the same instrument.

#### 10.14 ADMINISTRATIVE AGENT'S OR BANK'S CONSENT.

Whenever the Administrative Agent's or any Bank's consent is required to be obtained under this Agreement or any of the other Loan Documents as a condition to any action, inaction, condition or event, the Administrative Agent and each Bank shall be authorized to give or withhold such consent in its sole and absolute discretion and to condition its consent upon the giving of additional collateral, the payment of money or any other matter.

#### 10.15 EXCEPTIONS.

The representations, warranties and covenants contained herein shall be independent of each other, and no exception to any representation, warranty or covenant shall be deemed to be an exception to any other representation, warranty or covenant contained herein unless expressly provided, nor shall any such exceptions be deemed to permit any action or omission that would be in contravention of applicable Law.

#### 10.16 CONSENT TO FORUM; WAIVER OF JURY TRIAL.

EACH LOAN PARTY HEREBY IRREVOCABLY CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF THE COURT OF COMMON PLEAS OF FRANKLIN COUNTY AND THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF OHIO, AND WAIVES PERSONAL SERVICE OF ANY

AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO SUCH LOAN PARTY AT THE ADDRESSES PROVIDED FOR IN SECTION 10.6 AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT THEREOF. EACH LOAN PARTY WAIVES ANY OBJECTION TO JURISDICTION AND VENUE OF ANY ACTION INSTITUTED AGAINST IT AS PROVIDED HEREIN AND AGREES NOT TO ASSERT ANY DEFENSE BASED ON LACK OF JURISDICTION OR VENUE. EACH LOAN PARTY, THE AGENT AND THE BANKS HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE COLLATERAL TO THE FULL EXTENT PERMITTED BY LAW.

#### 10.17 TAX WITHHOLDING CLAUSE.

Each Bank or assignee or participant of a Bank that is not incorporated under the Laws of the United States of America or a state thereof (and, upon the written request of the Administrative Agent, each other Bank or assignee or participant of a Bank) agrees that it will deliver to each of the Borrower and the Administrative Agent two (2) duly completed appropriate valid Withholding Certificates (as defined under ss. 1.1441-1(c)(16) of the Income Tax Regulations (the "Regulations")) certifying its status (i.e. U.S. or foreign person) and, if appropriate, making a claim of reduced, or exemption from, U.S. withholding tax on the basis of an income tax treaty or an exemption provided by the Internal Revenue Code. The term "Withholding Certificate" means a Form W-9; a Form W-8BEN; a Form W-8ECI; a Form W-8IMY and the related statements and certifications as required under ss. 1.1441-1(e)(2) and/or (3) of the Regulations; a statement described in ss. 1.871-14(c)(2)(v) of the Regulations; or any other certificates under the Internal Revenue Code or Regulations that certify or establish the status of a payee or beneficial owner as a U.S. or foreign person. Each Bank, assignee or participant required to deliver to the Borrower and the Administrative Agent a Withholding Certificate pursuant to the preceding sentence shall deliver such valid Withholding Certificate as follows: (A) each Bank which is a party hereto on the Closing Date shall deliver such valid Withholding Certificate at least five (5) Business Days prior to the first date on which any interest or fees are payable by the Borrower hereunder for the account of such Bank; (B) each assignee or participant shall deliver such valid Withholding Certificate at least five (5) Business Days before the effective date of such assignment or participation (unless the Administrative Agent in its sole discretion shall permit such assignee or participant to deliver such valid Withholding Certificate less than five (5) Business Days before such date in which case it shall be due on the date specified by the Administrative Agent). Each Bank, assignee or participant which so delivers a valid Withholding Certificate further undertakes to deliver to each of the Borrower and the Administrative Agent two (2) additional copies of such Withholding Certificate (or a successor form) on or before the date that such Withholding Certificate expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent Withholding Certificate so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Borrower or the Administrative Agent. Notwithstanding the submission of a Withholding Certificate claiming a reduced rate of or exemption from U.S.

withholding tax, the Administrative Agent shall be entitled to withhold United States federal income taxes at the full 30% withholding rate if in its reasonable judgment it is required to do so under the due diligence requirements imposed upon a withholding agent under ss. 1.1441-7(b) of the Regulations. Further, the Agent is indemnified under ss. 1.1461-1(e) of the Regulations against any claims and demands of any Bank or assignee or participant of a Bank for the amount of any tax it deducts and withholds in accordance with regulations under ss. 1441 of the Internal Revenue Code.

10.18 JOINDER OF GUARANTORS.

Any Subsidiary of the Borrower which is required to join this Agreement as a Guarantor pursuant to Section 7.2.9 [Subsidiaries, Partnerships and Joint Ventures] shall execute and deliver to the Administrative Agent (i) a Guarantor Joinder in substantially the form attached hereto as EXHIBIT 1.1(G)(1) pursuant to which it shall join as a Guarantor each of the documents to which the Guarantors are parties; and (ii) documents in the forms described in Section 6.1 [First Loans] modified as appropriate to relate to such Subsidiary. The Loan Parties shall deliver such Guarantor Joinder and related documents to the Administrative Agent within five (5) Business Days after the date of the filing of such Subsidiary's articles of incorporation if the Subsidiary is a corporation, the date of the filing of its certificate of limited partnership if it is a limited partnership or the date of its organization if it is an entity other than a limited partnership or corporation.

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Agreement as of the day and year first above written.

## [SIGNATURE PAGES TO CREDIT AGREEMENT]

IN WITNESS WHEREOF, the parties hereto, by the officers thereunto duly authorized, have duly executed this Agreement as of the day and year first above written.

## BORROWER:

CONSOLIDATED STORES CORPORATION, an  
Ohio corporation

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

## GUARANTORS:

CONSOLIDATED STORES CORPORATION, a  
Delaware corporation

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

MAC FRUGAL'S BARGAINS o CLOSE-OUTS,  
INC., a Delaware corporation

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

TRO, INC., an Illinois corporation

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

CAPITAL RETAIL SYSTEMS, INC., an Ohio  
corporation

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

PNS STORES, INC., a California corporation

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

WEST COAST LIQUIDATORS, INC., a California  
corporation

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

C.S. ROSS COMPANY, an Ohio corporation

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

CSC DISTRIBUTION, INC., an Alabama  
corporation

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

CLOSEOUT DISTRIBUTION, INC., a  
Pennsylvania corporation

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

INDUSTRIAL PRODUCTS OF NEW ENGLAND,  
INC., a Maine corporation

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

TOOL AND SUPPLY COMPANY OF NEW  
ENGLAND, INC., a Delaware corporation

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

MIDWESTERN HOME PRODUCTS, INC., a  
Delaware corporation

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

MIDWESTERN HOME PRODUCTS COMPANY,  
LTD., an Ohio corporation

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

CONSOLIDATED PROPERTY HOLDINGS,  
INC., a Nevada corporation

By: /s/ Albert J. Bell

Title: President

GREAT BASIN LLC, a Delaware limited  
liability company

By: /s/ Albert J. Bell

Title: Vice Chairman and CAO

SONORAN LLC, a Delaware limited liability  
company

By: /s/ Albert J. Bell

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Title: Vice Chairman and CAO  
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SAHARA LLC, a Delaware limited liability  
company

By: /s/ Albert J. Bell

-----  
Title: Vice Chairman and CAO  
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## ADMINISTRATIVE AGENT:

NATIONAL CITY BANK, individually and as  
Administrative Agent, Lead Arranger and  
Managing Agent

By: /s/ Ralph A. Kapros

Title: Sr. VP

## SYNDICATION AGENT:

FLEET NATIONAL BANK, individually and as  
Syndication Agent

By: /s/ Judith C.E. Kelly

Title: Director

## OTHER AGENTS:

FIRST UNION NATIONAL BANK, individually  
and as Documentation Agent

By: /s/ Mark S. ???

Title: Vice President

PNC BANK, NATIONAL ASSOCIATION,  
individually and as a Managing Agent and  
Documentation Agent

By: /s/ Bruce A. Kintrer

Title: Vice President

BANK OF AMERICA, N.A., individually and as a  
Managing Agent

By: /s/ Amy Krovocheck

Title: VP

THE BANK OF NEW YORK, individually and as a  
Managing Agent

By: /s/ William Barnum

Title: VP

FIRSTSTAR BANK, N.A., individually and as a  
Managing Agent

By: /s/ Thomas L. Bayer

Title: VP

OTHER BANKS:

GUARANTY BANK

By: /s/ Scott Brewer

Title: VP

HIBERNIA NATIONAL BANK

By: /s/ Matt Breemy

Title: Portfolio Manager

LASALLE BANK NATIONAL ASSOCIATION

By: /s/ Dana J. Caphill IV

Title: First Vice President

## THE FIFTH THIRD BANK, CENTRAL OHIO

By: /s/ Ted Lape

Title: Vice President

## WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Jim Heinz

Title: Vice President

By: /s/ Mary Falck

Title: Senior Vice President

## THE HUNTINGTON NATIONAL BANK

By: /s/ Mark A. Koscielski

Title: Vice President

## SOUTHTRUST BANK

By: /s/ Jon Hauseman

Title: Group Vice President

## SCHEDULE 1.1(A)

PRICING GRID--  
VARIABLE PRICING AND FEES BASED ON DEBT RATING

					REVOLVING					364-DAY
	DEBT RATING [S&P AND MOODY'S, RESPECTIVELY]	REVOLVING CREDIT FACILITY FEE	REVOLVING CREDIT EURO-RATE SPREAD	ALL IN REVOLVING CREDIT SPREAD	CREDIT ALTERNATE BASE RATE SPREAD	364-DAY LOAN FACILITY FEE	364-DAY LOAN EURO-RATE SPREAD	ALL IN 364-DAY LOAN SPREAD	LOAN ALTERNATE BASE RATE SPREAD	
LEVEL										
	A- OR ABOVE									
	OR									
I	A3 OR ABOVE	.100%	.650%	.750%	.000%	.085%	.665%	.750%	.000%	
	BBB+									
	OR									
II	BAA1	.125%	.875%	1.000%	.000%	.100%	.900%	1.000%	.000%	
	BBB									
	OR									
III	BAA2	.150%	1.100%	1.250%	.000%	.125%	1.125%	1.250%	.000%	
	BBB-									
	OR									
IV	BAA3	.225%	1.275%	1.500%	.000%	.175%	1.325%	1.500%	.000%	
	BB+ OR BELOW OR UNRATED									
	OR									
	BA1 OR BELOW									
V	OR UNRATED	.300%	1.450%	1.750%	.250%	.250%	1.500%	1.750%	.250%	

For purposes of determining the Applicable Margin, and the Applicable Facility Fee Rate and :

(a) Level III shall apply on the Closing Date through the last day of the fiscal quarter ending on or about October 31, 2001. Thereafter, the Applicable Margin and the Applicable Facility Fee Rate shall be computed based on the applicable Debt Ratings then in effect.

(b) If a difference exists in the Debt Ratings of Moody's and Standard & Poor's and the difference is only one level (for example if Moody's is Level III and Standard & Poor's is Level II), the higher of such Debt Ratings (Standard & Poor's in the example in the preceding parenthetical--Level II) will determine the relevant pricing level.

(c) If a difference exists in the Debt Ratings of Moody's and Standard & Poor's and the difference is two or more levels (for example if Moody's is Level IV and Standard & Poor's is Level II), the lower of such Debt Ratings (Moody's in the example in the preceding parenthetical--Level IV) will determine the relevant pricing level.

(d) Any increase or decrease in the Applicable Margin or the Applicable Facility Fee Rate shall become effective as of the date on which the applicable rating agency announces its change in the Debt Rating requiring such an increase or decrease.

## SCHEDULE 1.1(B)

## COMMITMENTS OF BANKS AND ADDRESSES FOR NOTICES

Page 1 of 3

## PART 1 - COMMITMENTS OF BANKS AND ADDRESSES FOR NOTICES TO BANKS

BANK -----	AMOUNT OF COMMITMENT FOR REVOLVING CREDIT LOANS -----	REVOLVING CREDIT RATABLE SHARE -----	AMOUNT OF COMMITMENT FOR 364-DAY LOANS -----	364-DAY LOAN RATABLE SHARE -----	COMMITMENT -----	ATABLE SHARE -----
NATIONAL CITY BANK 155 East Broad Street Columbus, OH 43251-0034 Attention: Ralph A. Kaparos Telecopy: 614-463-6770 or 8572 Telephone No. 614-463-7296	\$ 52,500,000	14.6341463415%	\$ 22,500,000	14.6341463415%	\$ 75,000,000	4.6341463415%
PNC BANK, NATIONAL ASSOCIATION 201 East Fifth Street, 3rd floor Cincinnati, Ohio 45202-4163 Attention: C. Joseph Richardson Telephone: 513-651-8688 Telecopy: 513-651-8951	\$ 42,000,000	11.7073170732%	\$ 18,000,000	11.7073170732%	\$ 60,000,000	1.7073170732%
THE BANK OF NEW YORK One Wall Street, 8th Floor New York, NY 10286 Attention: William Barnum Telephone: 212-635-1019 Telecopy: 212-635-1483	\$ 35,000,000	9.7560975610%	\$ 15,000,000	9.7560975610%	\$ 50,000,000	9.7560975610%
FIRST UNION NATIONAL BANK 1 South Penn Square 12th floor Widener Building PA 4830 Philadelphia, PA 19107 Attention: Susan Vitale Telephone: 215-973-8347 Telecopy: 215-973-1887	\$ 35,000,000	9.7560975610%	\$ 15,000,000	9.7560975610%	\$ 50,000,000	9.7560975610%
FIRSTAR BANK, N.A. 7th & Washington St. Louis, MO 63101 Attention: Thomas Bayer Telephone: 314-418-3993 Telecopy: 314-418-1963	\$ 35,000,000	9.7560975610%	\$ 15,000,000	9.7560975610%	\$ 50,000,000	9.7560975610%
FLEET NATIONAL BANK Mail Stop: MA 0F D071 One Federal Street						

SCHEDULE 1.1(B)

BANK -----	AMOUNT OF COMMITMENT FOR REVOLVING CREDIT LOANS -----	REVOLVING CREDIT RATABLE SHARE -----	AMOUNT OF COMMITMENT FOR 364-DAY LOANS -----	364-DAY LOAN RATABLE SHARE -----	COMMITMENT -----	ATABLE SHARE -----
Boston, MA 02110-2010 Attention: Judy C.E. Kelly Telephone: 617-434-5280 Telecopy: 617-434-6685	\$ 35,000,000	9.7560975610%	\$ 15,000,000	9.7560975610%	\$ 50,000,000	9.7560975610%
BANK OF AMERICA, N.A. 901 Main Street, 67th floor Dallas, TX 75202 Attention: Amy Krovocheck Telephone: 214-209-0193 Telecopy: 214-209-0980	\$ 28,000,000	7.8048780488%	\$ 12,000,000	7.8048780488%	\$ 40,000,000	7.8048780488%
THE HUNTINGTON NATIONAL BANK 41 S. High Street, HC0810 Columbus, OH 43287 Attention: Mark Koscielski Telephone: 614-480-4841 Telecopy: 614-480-4814	\$ 17,500,000	4.8780487805%	\$ 7,500,000	4.8780487805%	\$ 25,000,000	4.8780487805%
SOUTHRTRUST BANK One Georgia Center 600 West Peachtree Street, 27th floor Atlanta, Georgia 30308 Attention: Jon Hauseman Telephone: 404-853-5778 Telecopy: 404-853-5766	\$ 17,500,000	4.8780487805%	\$ 7,500,000	4.8780487805%	\$ 25,000,000	4.8780487805%
WELLS FARGO BANK, NATIONAL ASSOCIATION 230 West Monroe Street, Suite 2900 Chicago, Illinois 60606 Attention: Scott Miller Telephone: 312-845-4522 Telecopy: 312-553-4783	\$ 17,500,000	4.8780487805%	\$ 7,500,000	4.8780487805%	\$ 25,000,000	4.8780487805%
THE FIFTH THIRD BANK, CENTRAL OHIO 21 East State Street, 7th floor Columbus, OH 43215 Attention: Ted Lape Telephone: 614-233-3982 Telecopy: 614-341-2606	\$ 14,000,000	3.9024390244%	\$ 6,000,000	3.9024390244%	\$ 20,000,000	3.9024390244%
GUARANTY BANK 333 Clay Street, Suite 4430 Houston, TX 77002 Attention: Scott Brewer Telephone: 713-890-8859 Telecopy: 713-859-0765	\$ 14,000,000	3.9024390244%	\$ 6,000,000	3.9024390244%	\$ 20,000,000	3.9024390244%

SCHEDULE 1.1(B)

BANK -----	AMOUNT OF COMMITMENT FOR REVOLVING CREDIT LOANS -----	REVOLVING CREDIT RATEABLE SHARE -----	AMOUNT OF COMMITMENT FOR 364-DAY LOANS -----	364-DAY LOAN RATEABLE SHARE -----	COMMITMENT -----	ATABLE SHARE -----
LASALLE BANK NATIONAL ASSOCIATION 135 South LaSalle Street, Suite 1152 Chicago, Illinois 60603 Attention: Chip Campbell Telephone: 312-904-4497 Telecopy: 312-904-0409	\$ 10,500,000	2.9268292683%	\$ 4,500,000	2.9268292683%	\$ 15,000,000	2.9268292683%
HIBERNIA NATIONAL BANK 313 Carondlet Street 6th Floor New Orleans, LA 70130 Attention: Lloyd Drumm Telephone: 504-533-2263 Telecopy: 504-533-5344	\$ 5,250,000	1.4634146341%	\$ 2,250,000	1.4634146341%	\$ 7,500,000	1.4634146341%
TOTAL:	\$ 358,750,000	100.0000000000%	\$ 153,750,000	100.0000000000%	\$ 512,500,000	100.0000000000%

## PART II - ADDRESS FOR NOTICES TO BORROWER AND GUARANTORS

Consolidated Stores Corporation  
300 Phillipi Road  
P.O. Box 28512  
Columbus, Ohio 43228  
Attention: Mark Shapiro

Schedule 1.1(B)

SCHEDULE 1.1(E)  
EXCLUDED INACTIVE SUBSIDIARIES

Entity	Domestic Jurisdiction	Owner / Member	Percent of Ownership
Barn Acquisition Corporation	DE	Industrial Products of New England, Inc.	100%
SS Investments Corporation	DE	Industrial Products of New England, Inc.	100%
Fashion Barn, Inc.	NY	Barn Acquisition Corporation	100%
Fashion Barn of New Jersey, Inc.	NJ	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Florida, Inc.	FL	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Indiana, Inc.	IN	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Pennsylvania, Inc.	PA	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Oklahoma, Inc.	OK	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Texas, Inc.	TX	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Ohio, Inc.	OH	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Vermont, Inc.	VT	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Virginia, Inc.	VA	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of South Carolina, Inc.	SC	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of North Carolina, Inc.	NC	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of West Virginia, Inc.	WV	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Missouri, Inc.	MO	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Georgia, Inc.	GA	Fashion Barn, Inc., a New York corp.	100%
Fashion Outlets Corp.	NY	Fashion Barn, Inc., a New York corp.	100%
Fashion Bonanza, Inc.	NY	Fashion Barn, Inc., a New York corp.	100%
Rogers Fashion Industries, Inc.	NJ	Fashion Barn, Inc., a New York corp.	100%
Rogers Fashion Industries, Inc.	NJ	Fashion Barn, Inc., a New York corp.	100%
Saddle Brook Distribution, Inc.	NY	Fashion Barn, Inc., a New York corp.	100%
Saddle Brook Distribution, Inc.	NJ	Fashion Barn, Inc., a New York corp.	100%
DTS, Inc.	NY	Fashion Barn, Inc., a New York corp.	100%
DTS, Inc.	TN	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn, Inc.	MA	Fashion Barn, Inc., a New York corp.	100%

## SCHEDULE 1.1(P) - PERMITTED LIENS

- NOT APPLICABLE

SCHEDULE 1.1(R) - ROLLOVER LCS  
DOCUMENTARY LETTERS OF CREDIT

L/C NUMBER	ISSUE DT	EXP DT	AVAIL.BAL.	APPLICANT	BENEFICIARY
ICS055916	09/28/00	02/09/01	8,964.20	ODD LOTS	BICA SPA
ICS056836	12/27/00	05/15/01	160,578.32	ODD LOTS	GRAND-BONANZA (THAI) CO., LTD.
ICS056837	12/27/00	04/10/01	24,610.57	ODD LOTS	GRAND-BONANZA (THAI) CO., LTD.
ICS056838	12/27/00	04/10/01	8,833.92	ODD LOTS	GRAND-BONANZA (THAI) CO., LTD.
ICS056851	01/08/01	06/30/01	118,049.20	ODD LOTS	PRO-PACK INTERNATIONAL CORP.
ICS056852	01/08/01	06/30/01	74,978.20	ODD LOTS	PRO-PACK INTERNATIONAL CORP.
ICS056853	01/08/01	06/30/01	28,752.80	ODD LOTS	PRO-PACK INTERNATIONAL CORP.
ICS056859	02/09/01	04/14/01	62,529.00	ODD LOTS	KINGSLEY INTERNATIONAL
ICS056863	02/12/01	05/28/01	582,845.92	ODD LOTS	CHARU MERCHANDISING PVT. LTD.
ICS056864	02/12/01	05/28/01	358,444.56	ODD LOTS	CHARU MERCHANDISING PVT. LTD.
ICS057654	02/12/01	07/21/01	183,898.98	ODD LOTS	CHARU MERCHANDISING PVT. LTD.
ICS057656	02/13/01	08/05/01	81,881.52	ODD LOTS	SANYEI CORPORATION (SINGAPORE)
ICS057657	02/13/01	08/05/01	70,541.76	ODD LOTS	SANYEI CORPORATION (SINGAPORE)
ICS057660	02/13/01	05/06/01	30,939.84	ODD LOTS	SANYEI CORPORATION (SINGAPORE)
ICS057669	02/28/01	07/03/01	188,310.00	ODD LOTS	ABUNDANT DYNASTY CO., LTD.
ICS057670	02/28/01	05/08/01	88,722.00	ODD LOTS	ABUNDANT DYNASTY CO., LTD.
ICS057671	03/01/01	05/08/01	40,176.00	ODD LOTS	ABUNDANT DYNASTY CO., LTD.
ICS057675	03/06/01	05/29/01	288,468.00	ODD LOTS	HASBRO TOY GROUP DIRECT IMPORTS
ICS057676	03/06/01	05/29/01	178,200.00	ODD LOTS	HASBRO TOY GROUP DIRECT IMPORTS
ICS057677	03/06/01	05/15/01	54,756.00	ODD LOTS	HASBRO TOY GROUP DIRECT IMPORTS
ICS057684	03/15/01	04/10/01	3,022.80	ODD LOTS	LUEN FUNG PLASTIC THAILAND CO.,
ICS057689	04/10/01	08/27/01	258,385.00	ODD LOTS	HEDAYA HOME FASHIONS INC.
ICS057690	04/10/01	08/27/01	155,031.00	ODD LOTS	HEDAYA HOME FASHIONS INC.
ICS057691	04/10/01	08/27/01	51,677.00	ODD LOTS	HEDAYA HOME FASHIONS INC.
ICS057693	04/10/01	05/01/01	32,080.32	ODD LOTS	MAGLA WORLDWIDE LTD.
ICS057694	04/10/01	05/01/01	22,752.00	ODD LOTS	MAGLA WORLDWIDE LTD.
ICS057699	04/10/01	07/30/01	221,217.40	ODD LOTS	CHARU MERCHANDISING PVT. LTD.
ICS057701	04/12/01	07/10/01	230,253.00	ODD LOTS	GRAND-BONANZA (THAI) CO., LTD.
ICS057702	04/10/01	06/16/01	14,707.20	ODD LOTS	GRAND-BONANZA (THAI) CO., LTD.
ICS057703	04/10/01	06/16/01	6,556.80	ODD LOTS	GRAND-BONANZA (THAI) CO., LTD.
ICS058416	04/12/01	09/11/01	398,082.12	ODD LOTS	KINGSLEY INTERNATIONAL
ICS058417	04/12/01	09/11/01	147,420.00	ODD LOTS	KINGSLEY INTERNATIONAL
ICS058418	04/12/01	09/11/01	62,712.00	ODD LOTS	KINGSLEY INTERNATIONAL
ICS058420	04/12/01	06/26/01	840,192.30	ODD LOTS	SCIENTIFIC TOYS, LTD.
ICS058421	04/12/01	06/26/01	499,573.80	ODD LOTS	SCIENTIFIC TOYS, LTD.
ICS058422	04/12/01	06/26/01	204,371.10	ODD LOTS	SCIENTIFIC TOYS, LTD.
ICS058424	04/16/01	07/31/01	61,824.00	ODD LOTS	LUEN FUNG PLASTIC THAILAND CO.,
ICS058425	04/16/01	07/31/01	42,144.00	ODD LOTS	LUEN FUNG PLASTIC THAILAND CO.,
ICS058426	04/16/01	07/31/01	14,484.00	ODD LOTS	LUEN FUNG PLASTIC THAILAND CO.,
ICS058428	04/18/01	07/30/01	194,522.96	ODD LOTS	CHARU MERCHANDISING PVT. LTD.
ICS058429	04/18/01	07/30/01	93,327.88	ODD LOTS	CHARU MERCHANDISING PVT. LTD.
ICS058430	04/24/01	07/13/01	246,410.89	ODD LOTS	SUN VIGOR INDUSTRIAL CO. LTD.
ICS058431	04/24/01	07/13/01	162,264.06	ODD LOTS	SUN VIGOR INDUSTRIAL CO. LTD.
ICS058432	04/26/01	07/13/01	54,088.02	ODD LOTS	SUN VIGOR INDUSTRIAL CO. LTD.
ICS058434	04/25/01	07/24/01	1,053,487.50	ODD LOTS	ABUNDANT DYNASTY CO., LTD.
ICS058436	05/01/01	06/25/01	203,097.60	ODD LOTS	GOLDMEN ELECTRONIC CO. LTD.
ICS058437	05/01/01	06/25/01	134,985.60	ODD LOTS	GOLDMEN ELECTRONIC CO. LTD.
ICS058438	05/01/01	06/25/01	62,539.20	ODD LOTS	GOLDMEN ELECTRONIC CO. LTD.
ICS058440	05/01/01	06/26/01	557,242.20	ODD LOTS	HASBRO TOY GROUP DIRECT IMPORTS
ICS058441	05/01/01	06/26/01	331,333.20	ODD LOTS	HASBRO TOY GROUP DIRECT IMPORTS
ICS058442	05/01/01	06/26/01	135,545.40	ODD LOTS	HASBRO TOY GROUP DIRECT IMPORTS
ICS058444	05/02/01	07/31/01	28,277.28	ODD LOTS	KOWLING CO., LTD.
ICS058445	05/02/01	07/31/01	16,688.76	ODD LOTS	KOWLING CO., LTD.
ICS058769	05/02/01	07/31/01	7,747.20	ODD LOTS	KOWLING CO., LTD.
ICS058771	05/02/01	08/06/01	99,873.00	ODD LOTS	SANYEI CORPORATION (SINGAPORE)

SCHEDULE 1.1(R) - ROLLOVER LCS  
DOCUMENTARY LETTERS OF CREDIT

ICS058772	05/02/01	08/06/01	79,029.00	ODD LOTS	SANYEI CORPORATION (SINGAPORE)
ICS058773	05/02/01	08/06/01	28,458.00	ODD LOTS	SANYEI CORPORATION (SINGAPORE)
ICS058775	05/02/01	08/06/01	69,160.00	ODD LOTS	STANDARD ENTERPRISES CO.
ICS058776	05/02/01	07/31/01	124,874.00	ODD LOTS	TEAMWORK, INC.
ICS058777	05/02/01	07/31/01	92,216.40	ODD LOTS	TEAMWORK, INC.
ICS058778	05/02/01	07/31/01	32,016.40	ODD LOTS	TEAMWORK, INC.
ICS056839	12/27/00	05/01/01	39,530.53	WESTCOAS	GRAND-BONANZA (THAI) CO., LTD.
ICS056854	01/08/01	06/30/01	118,320.00	WESTCOAS	PRO-PACK INTERNATIONAL CORP.
ICS057655	02/12/01	06/05/01	543,735.40	WESTCOAS	CHARU MERCHANDISING PVT. LTD.
ICS057661	02/13/01	05/07/01	83,493.36	WESTCOAS	SANYEI CORPORATION (SINGAPORE)
ICS057678	03/06/01	05/29/01	245,376.00	WESTCOAS	HASBRO TOY GROUP DIRECT IMPORTS
ICS057683	03/15/01	05/15/01	83,616.00	WESTCOAS	ARGUS INDUSTRIES
ICS057692	04/10/01	08/27/01	206,708.00	WESTCOAS	HEDAYA HOME FASHIONS INC.
ICS057700	04/12/01	08/05/01	334,000.64	WESTCOAS	CHARU MERCHANDISING PVT. LTD.
ICS057704	04/10/01	06/16/01	20,467.20	WESTCOAS	GRAND-BONANZA (THAI) CO., LTD.
ICS058419	04/12/01	09/11/01	155,844.00	WESTCOAS	KINGSLY INTERNATIONAL
ICS058423	04/12/01	06/26/01	726,652.80	WESTCOAS	SCIENTIFIC TOYS, LTD.
ICS058427	04/16/01	06/14/01	31,680.00	WESTCOAS	LUEN FUNG PLASTIC THAILAND CO.,
ICS058433	04/24/01	07/27/01	138,234.85	WESTCOAS	SUN VIGOR INDUSTRIAL CO. LTD.
ICS058439	05/01/01	06/25/01	218,577.60	WESTCOAS	GOLDMEN ELECTRONIC CO. LTD.
ICS058443	05/01/01	06/26/01	481,939.20	WESTCOAS	HASBRO TOY GROUP DIRECT IMPORTS
ICS058770	05/02/01	07/31/01	16,688.76	WESTCOAS	KOWLING CO., LTD.
ICS058774	05/03/01	08/06/01	116,721.00	WESTCOAS	SANYEI CORPORATION (SINGAPORE)
ICS058779	05/02/01	07/31/01	111,746.00	WESTCOAS	TEAMWORK, INC.
ICS057674	03/02/01	05/21/01	115,075.44	WISC TOY	MATTEL BRANDS
ICS057695	04/10/01	05/30/01	21,528.00	WISC TOY	GOLDEN WHEEL DIE CASTING FTY.,L
ICS057696	04/10/01	05/30/01	35,200.00	WISC TOY	HASBRO TOY GROUP DIRECT IMPORTS
ICS057697	04/10/01	05/30/01	30,516.00	WISC TOY	LUEN FAT METAL & PLASTIC MFY.,
ICS057698	04/12/01	06/05/01	116,100.60	WISC TOY	MATTEL BRANDS
ICS058435	04/27/01	07/16/01	175,380.00	WISC TOY	HASBRO TOY GROUP DIRECT IMPORTS
ICS058780	05/03/01	07/06/01	260,826.00	WISC TOY	FISHER PRICE BRANDS

14,136,108.56

SCHEDULE 1.1(R) - ROLLOVER LCS  
STANDBY LETTERS OF CREDIT

SLC #	ISSUE DATE	EXP DATE	AMOUNT	APPLICANTS NAME	BENEFICIARY
S14088	10/7/88	4/30/01	\$7,000.00	CONSOLIDATED STORES CORPORATION	ALCOA UTILITIES
S30161	2/14/96	3/31/02	\$12,000,000.00	CONSOLIDATED STORES CORPORATION	LUMBERMENS MUTUAL CASUALTY CO. ECT.
S30241	11/28/95	12/1/01	\$500,000.00	CONSOLIDATED STORES CORPORATION	GEORGIA SELF-INSURANCE GUARANTY
SCS032165	1/26/99	1/26/02	\$50,000.00	CONSOLIDATED STORES CORPORATION	AIRLINE REPORTING CORPORATION
SCS032216	7/28/99	6/1/02	\$6,500,000.00	CONSOLIDATED STORES CORPORATION	SENTRY INSURANCE
S31113	9/24/96	6/30/01	\$652,000.00	K.B. CONSOLIDATED INC.	ACE AMERICAN INSURANCE COMPANY
S32099	7/2/98	7/2/02	\$5,500,000.00	WEST COAST LIQUIDATORS	CIGNA INSURANCE CO. OF TEXAS, ECT.
SCS032278	4/6/00	6/5/01	\$200,000.00	WEST COAST LIQUIDATORS	UNITED STATES FIDELITY GUARANTY CO
SCS032360	1/31/01	12/31/01	\$950,000.00	WEST COAST LIQUIDATORS, INC.	AMB INSTITUTIONAL ALLIANCE FUND II
			\$26,359,000.00		

SCHEDULE 5.1.1  
QUALIFICATIONS TO DO BUSINESS  
SUBSIDIARIES

-----	
Entity	
-----	
Consolidated Stores Corporation	DE
-----	
Consolidated Stores Corporation	OH
-----	
Mac Frugal's Bargains - Close-outs, Inc.	DE
-----	
TR0, Inc.	IL
-----	
Capital Retail Systems, Inc.	OH
-----	
PNS Stores, Inc.	CA
-----	
West Cost Liquidators, Inc.	CA
-----	
C.S. Ross Company	OH
-----	
CSC Distribution, Inc.	AL
-----	
Closeout Distribution, Inc.	PA
-----	
Industrial Products of New England, Inc.	ME
-----	
Tool and Supply Company of New England, Inc.	DE
-----	
Midwestern Home Products, Inc.	DE
-----	
Midwestern Home Products Company, Ltd.	OH
-----	
Consolidated Property Holdings, Inc.	NV
-----	
Great Basin LLC	DE
-----	
Sonoran LLC	DE
-----	
Sahara LLC	DE
-----	

SCHEDULE 5.1.1  
QUALIFICATIONS TO DO BUSINESS  
EXCLUDED INACTIVE SUBSIDIARIES

Entity	Domestic Jurisdiction
Barn Acquisition Corporation	DE
SS Investments Corporation	DE
Fashion Barn, Inc.	NY
Fashion Barn of New Jersey, Inc.	NJ
Fashion Barn of Florida, Inc.	FL
Fashion Barn of Indiana, Inc.	IN
Fashion Barn of Pennsylvania, Inc.	PA
Fashion Barn of Oklahoma, Inc.	OK
Fashion Barn of Texas, Inc.	TX
Fashion Barn of Ohio, Inc.	OH
Fashion Barn of Vermont, Inc.	VT
Fashion Barn of Virginia, Inc.	VA
Fashion Barn of South Carolina, Inc.	SC
Fashion Barn of North Carolina, Inc.	NC
Fashion Barn of West Virginia, Inc.	WV
Fashion Barn of Missouri, Inc.	MO
Fashion Barn of Georgia, Inc.	GA
Fashion Outlets Corp.	NY
Fashion Bonanza, Inc.	NY
Rogers Fashion Industries, Inc.	NJ
Rogers Fashion Industries, Inc.	NJ
Saddle Brook Distribution, Inc.	NY
Saddle Brook Distribution, Inc.	NJ
DTS, Inc.	NY
DTS, Inc.	TN
Fashion Barn, Inc.	MA

## SCHEDULE 5.1.2 - CAPITALIZATION

- - The Company had 11,320,148 total outstanding options to acquire its voting common stock as of April 30, 2001.
- - Under the Company's Preferred Stock Rights Plan ("Rights Plan"), made as of February 23, 1999, if the Rights Plan is redeemed, each shareholder is entitled to a payment of \$0.01 per share.

SCHEDULE 5.1.3  
SUBSIDIARIES

Entity	Domestic Jurisdiction	Owner(s) / Member(s)	Percent of Ownership	Authorized Shares	Issued & Outstanding Shares
Consolidated Stores Corporation	OH	Consolidated Stores Corporation, a Delaware corporation	85.19%	750 common,	575
		TRO, Inc.	14.81%	\$0 par	100
Mac Frugal's Bargains-Close-outs, Inc.	DE	Consolidated Stores Corporation, a Delaware corporation	100%	3,000 common, \$0.01 par	100
TRO, Inc.	IL	Consolidated Stores Corporation, a Delaware corporation	100%	1,100 common, \$1.00 par	100
Capital Retail Systems, Inc.	OH	Consolidated Stores Corporation, a Delaware corporation	100%	850 common, \$0 par	100
PNS Stores, Inc.	CA	Mac Frugal's Bargains o Close-outs, Inc.	100%	5,000 common, \$100.00 par	450
West Coast Liquidators, Inc.	CA	Mac Frugal's Bargains o Close-outs, Inc.	100%	100 common, \$0 par	100
C.S. Ross Company	OH	Consolidated Stores Corporation, an Ohio corporation	100%	1000 common, \$1.00 par	200
CSC Distribution, Inc.	AL	Consolidated Stores Corporation, an Ohio corporation	100%	200 common, \$50.00 par	100
Closeout Distribution, Inc.	PA	Consolidated Stores Corporation, an Ohio corporation	100%	1,000 common, \$0 par	1,000
Industrial Products of New England, Inc.	ME	Consolidated Stores Corporation, an Ohio corporation	100%	250 common, \$0 par	1
Tool and Supply Company of New England, Inc.	DE	Consolidated Stores Corporation, an Ohio corporation	100%	10,000 common, \$0.01 par	100
Midwestern Home Products, Inc.	DE	Consolidated Stores Corporation, an Ohio corporation	100%	10,000 common, \$0.01 par	100
Midwestern Home Products Company, Ltd.	OH	Midwestern Home Products, Inc.	100%	100 common, \$1.00 par	100

SCHEDULE 5.1.3  
SUBSIDIARIES

Entity	Domestic Jurisdiction	Owner(s) / Member(s)	Percent of Ownership	Authorized Stock	Issued & Outstanding Stock
Consolidated Property Holdings, Inc.	NV	Consolidated Stores Corporation, an Ohio corporation	100%	100 common, \$0 par	5
Great Basin LLC	DE	Consolidated Stores Corporation, an Ohio corporation	100% of LLC Interest	N/A	N/A
Sonoran LLC	DE	Consolidated Stores Corporation, an Ohio corporation	100% of LLC Interest	N/A	N/A
Sahara LLC	DE	Consolidated Stores Corporation, an Ohio corporation	100% of LLC Interest	N/A	N/A

SCHEDULE 5.1.3  
EXCLUDED INACTIVE SUBSIDIARIES

Entity	Domestic Jurisdiction	Owner / Member	Percent of Ownership
Barn Acquisition Corporation	DE	Industrial Products of New England, Inc.	100%
SS Investments Corporation	DE	Industrial Products of New England, Inc.	100%
Fashion Barn, Inc.	NY	Barn Acquisition Corporation	100%
Fashion Barn of New Jersey, Inc.	NJ	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Florida, Inc.	FL	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Indiana, Inc.	IN	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Pennsylvania, Inc.	PA	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Oklahoma, Inc.	OK	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Texas, Inc.	TX	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Ohio, Inc.	OH	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Vermont, Inc.	VT	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Virginia, Inc.	VA	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of South Carolina, Inc.	SC	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of North Carolina, Inc.	NC	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of West Virginia, Inc.	WV	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Missouri, Inc.	MO	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn of Georgia, Inc.	GA	Fashion Barn, Inc., a New York corp.	100%
Fashion Outlets Corp.	NY	Fashion Barn, Inc., a New York corp.	100%
Fashion Bonanza, Inc.	NY	Fashion Barn, Inc., a New York corp.	100%
Rogers Fashion Industries, Inc.	NJ	Fashion Barn, Inc., a New York corp.	100%
Rogers Fashion Industries, Inc.	NJ	Fashion Barn, Inc., a New York corp.	100%
Saddle Brook Distribution, Inc.	NY	Fashion Barn, Inc., a New York corp.	100%
Saddle Brook Distribution, Inc.	NJ	Fashion Barn, Inc., a New York corp.	100%
DTS, Inc.	NY	Fashion Barn, Inc., a New York corp.	100%
DTS, Inc.	TN	Fashion Barn, Inc., a New York corp.	100%
Fashion Barn, Inc.	MA	Fashion Barn, Inc., a New York corp.	100%

## SCHEDULE 5.1.7 - LITIGATION (NEW YORK POTENTIAL TAX CLAIM)

- - Fashion Barn, Inc., an Excluded Inactive Subsidiary, may be liable to the State of New York for gains tax arising from the resale of real estate in 1988. On or about June 29, 1995, an administrative law judge ruled that Fashion Barn, Inc. may be liable for \$493,417.20 in gains tax, plus applicable interest and penalties, if any. The administrative law judge further ruled that the State of New York could only collect this potential liability from Fashion Barn, Inc. and no other entity or person, including Barn Acquisition Corporation and the Borrower. Fashion Barn, Inc. currently has no assets.

SCHEDULE 5.1.8  
OWNED REAL PROPERTY

Location #	Address	City	State	Zip
04002 P	9020 E FIRESTONE BLVD	DOWNEY	CA	90241
04014 P	17575 FOOTHILL BLVD	FONTANA	CA	92335
04024 P	7772 E GARVEY AVE	ROSEMEAD	CA	91770
04025 P	610 LAS TUNAS	ARCADIA	CA	91006
04030 P	299 BORCHARD DR.	VENTURA	CA	93003
04031 P	2900 ROSECRANS AVE	GARDENA	CA	90249
04032 P	1341 VINE STREET	HOLLYWOOD	CA	90028
04035 P	2093 E FLORIDA	HEMET	CA	92544
04040 P	2430 E DEL AMO BLVD	DOMINGUEZ	CA	90220
04045 P	14790 LA PAZ DR	VICTORVILLE	CA	92392
04046 P	1821 N TUSTIN AVE	ORANGE	CA	92865
04052 P	8932 VALLEY VIEW	BUENA PARK	CA	90620
04066 P	635 N AZUSA AVE	WEST COVINA	CA	91791
04080 M	7241 FAIROAKS BLVD	CARMICHAEL	CA	95608
04087 P	56865 TWENTY-NINE	YUCCA VALLEY	CA	92284
04088 P	21082 BEACH BLVD	HUNTINGTON BEACH	CA	92648
04090 P	20808 E ARROW HWY	COVINA	CA	91724
04094 P	1730 S NOGALES ST	ROWLAND HGTS	CA	91748
04096 M	2249 S LOOP 288	DENTON	TX	76205
04098 P	12550 CENTRAL AVE	CHINO	CA	91710
04099 M	8778 W CHOLLA	PEORIA	AZ	85345
04103 P	12322 4TH ST	RANCHO CUCAMONGA	CA	91730
04104 P	1990 S ACADEMY	COLORADO SPRINGS	CO	80916
04105 M	8001 WEST LANE	STOCKTON	CA	95210
04106 M	380 S CHEROKEE LANE	LODI	CA	95240
04107 P	6351 WESTMINSTER BLVD	WESTMINSTER	CA	92683
04110 M	1739 SW LOOP 410 #200	SAN ANTONIO	TX	78227
04117 M	8125 SHERIDAN BLVD	ARVADA	CO	80003
04118 P	3003 W MANCHESTER	INGLEWOOD	CA	90305
04120 M	333 E SOUTHERN	MESA	AZ	85210
04121 M	126 W TROUTMAN PKWY	FORT COLLINS	CO	80525
04126 P	1410 PLAZA BLVD	NATIONAL CITY	CA	91950
04129 M	2521 SOMERSVILLE RD.	ANTIOCH	CA	94509
04136 P	2155 W. PACIFIC COAST HWY	LOMITA	CA	90717
04144 M	2865 VALLEY VIEW LANE	FARMERS BRANCH	TX	75234
04147 P	3140 CERRILLOS ROAD	SANTA FE	NM	87505
04162 B	3145 E. TEXAS AVE.	BOSSIER CITY	LA	77036
04164 M	4895 E. KINGS CANYON	FRESNO	CA	93727
04170 P	1325 E. HUNTINGTON DR.	DUARTE	CA	91010
04178 M	2350 E. LOHMAN	LAS CRUCES	NM	88001
04224 B	18325 S. DIXIE HWY.	CUTLER RIDGE	FL	33157
04225 B	2100 S.W. 27TH AVE.	MAIMI	FL	33145
04247 P	1655 EUCLID AVE.	SAN DIEGO	CA	92105
04275 P	1260 N. LAKE AVE.	PASADENA	CA	91104
04277 P	1070 "A" W. AVENUE K	LANCASTER	CA	93534
04284 P	1139 S. DIAMOND BAR BLVD.	DIAMOND BAR	CA	91765
04303 P	26545 HIGHLAND AVE.	HIGHLAND	CA	92346
04304 M	2630 BAYSHORE BLVD.	SAN FRANCISCO	CA	94134
04310 M	1340 HILLTOP DRIVE	REDDING	CA	96003
04315 P	1815 SLAUSON	LOS ANGELES	CA	90047
04321 P	17095 VALLEY BLVD	FONTANA	CA	92335

SCHEDULE 5.1.8  
OWNED REAL PROPERTY

04322 P	9008 FOOTHILL BLVD	RANCHO CUCAMONGA	CA	91730
04337 P	1257 E YORBA LINDA BLVD	PLACENTIA	CA	92686
04340 M	3333 MISSION ST	SAN FRANCISCO	CA	94110
04350 P	1580 W VALLEY PARKWAY	ESCONDIDO	CA	92029
870	2855 Selma Highway	Montgomery	AL	36108 Warehouse
873	12434 Fourth Street	Rancho Cucamonga	CA	91730 Warehouse
874	50 Rausch Creek Road	Tremont	PA	17981 Warehouse
890	500/550 Phillipi Road	Columbus	OH	43228 Warehouse

- - The Prior Credit Agreement

SCHEDULE 5.1.16  
INSURANCE POLICIES  
AS OF MAY 4, 2001

COVERAGE	LIMITS	CARRIER
Automobile Liability	\$1,000,000 combined single limit	Sentry
Commercial Crime	\$5,000,000	Arkwright Mutual
Directors & Officers Liability	\$25,000,000 annual aggregate	Federal Insurance Company
Directors & Officer Excess Liability	\$25,000,000 annual aggregate	Royal & Sun Alliance Insurance Company
Employment Practices Liability Primary	\$25,000,000 annual aggregate	Federal Insurance Company
Employment Practices Liability Excess	\$25,000,000 annual aggregate Excess Primary	Royal & Sun Alliance Insurance Company
Employment Practices Liability Punitive Damages Wrap Around	\$25,000,000 annual aggregate	Chubb Atlantic
Employment Practices Liability Punitive Damages Wrap Around - uninsurable states	\$50,000,000 Excess \$100,000,000	Chubb Atlantic
Employment Practices Liability Punitive Damages Wrap Around Occurrence	\$50,000,000 occurrence \$50,000,000 aggregate Excess National Union BE7394755 Umb Layer 1	Normandy Reinsurance Company
Employment Practices Liability Punitive Damages Wrap Around Occurrence	\$50,000,000 occurrence \$50,000,000 aggregate Excess Gulf Insurance GA0593297 GL Layer 1	Normandy Reinsurance Company
Employed Lawyers Professional Liability	\$2,000,000 aggregate \$200,000 defense sublimit	Executive Risk Indemnity Inc.
Special Coverage	\$20,000,000	Lloyds
International Exporters Package (Foreign Liability)	\$1,000,000	Great Northern Insurance Co.

COVERAGE	POLICY NUMBER	INSURED (SEE FOOTNOTE)
Automobile Liability	900250004 All States 900250005 Texas 900250006 Massachusetts	1
Commercial Crime	BC324	2
Directors & Officers Liability	8142-09-30	3
Directors & Officer Excess Liability	SF001121	4
Employment Practices Liability Primary	8155-90-07	5
Employment Practices Liability Excess	SF001122	6
Employment Practices Liability Punitive Damages Wrap Around	(01)3310-06-53	7
Employment Practices Liability Punitive Damages Wrap Around - uninsurable states	(01)3310-09-16	8
Employment Practices Liability Punitive Damages Wrap Around Occurrence	NOR 1-10000-00	9
Employment Practices Liability Punitive Damages Wrap Around Occurrence	NOR 1-10002-00	10
Employed Lawyers Professional Liability	8166-0007	11

Special Coverage	SCC01234000	12
International Exporters Package (Foreign Liability)	7312-82-34	13

SCHEDULE 5.1.16  
INSURANCE POLICIES  
AS OF MAY 4, 2001

COVERAGE	LIMITS	CARRIER
Fiduciary Liability	\$10,000,000 annual aggregate	Federal Insurance Company
General and Product Liability	\$900,000 occurrence \$10,000,000 general aggregate \$2,000,000 product aggregate \$500,000 fire occurrence	Winterthur International
Umbrella Liability	\$50,000,000 occurrence Excess Primary	National Union Ins. of PA
General and Product Liability Excess Liability - 1st layer	\$50,000,000 occurrence Excess \$50,000,000	Gulf Insurance Company (Travelers Group)
General and Product Liability Excess Liability - 2nd layer	\$50,000,000 occurrence \$50,000,000 general aggregate \$50,000,000 products/completed Excess \$100,000,000	Federal Insurance (Chubb)
Property - All Risk	\$50,000,000 products/completed \$50,000,000 general aggregate \$3,800,000,000 aggregate	Protection Mutual Commonwealth Allianz CNA Ace American Ins. Co. XL
Stock Throughput	\$50,000,000 per conveyance \$245,000,000 per location (aggregate CA earthquake) \$25,000,000 debris removal	Lloyds of London & Institute of London Underwriters Co.
Business Travel Accident	\$25,000,000 per accident	Zurich Insurance Company

COVERAGE	POLICY NUMBER	INSURED (SEE FOOTNOTE)
Fiduciary Liability	8159-04-06	14
General and Product Liability	GL0030868-00	15
Umbrella Liability	BE7394755	16
General and Product Liability Excess Liability - 1st layer	GA0593297	17
General and Product Liability Excess Liability - 2nd layer	79769323	18
Property - All Risk	61150198 US2739 CPL1034149 RMP1894855263 CXD28726661 XLPRP0428100	19
Stock Throughput	JC414798 - primary JC4129798 - 1st excess JC412898 - 2nd excess JC412998 - 3rd excess	20
Business Travel Accident	GTU2853455	21

SCHEDULE 5.1.16  
INSURANCE POLICIES  
AS OF MAY 4, 2001

COVERAGE	LIMITS	CARRIER
Georgia Worker's Compensation	N/A	Self insured Sentry is TPA
Ohio Workers' Compensation	Statutory	Self insured
New York Disability Protection	Statutory	Arista Insurance Company
North Dakota Workers' Compensation	Statutory	Monopolistic
Washington Workers' Compensation	Statutory	Monopolistic
West Virginia Workers' Compensation	Statutory	Comptrol is TPA
Workers' Compensation/ Employer's Liability (All States)	Statutory	Sentry
Workers' Compensation/ Employer's Liability Excess (Georgia and Ohio)	\$850,000	Sentry

WORKERS' COMPENSATION COVERAGE		
COVERAGE	POLICY NUMBER	INSURED (SEE FOOTNOTE)
Georgia Worker's Compensation	900250007	22
Ohio Workers' Compensation	SI 4052 SI 4052-01	23
New York Disability Protection	189814-100-202	24
North Dakota Workers' Compensation	1272257	25
Washington Workers' Compensation	86730403 96029300	26
West Virginia Workers' Compensation	85000746-101	27
Workers' Compensation/ Employer's Liability (All States)	900250002 HI, ME, MT, OR, WI 900250001 All Other States	28
Workers' Compensation/ Employer's Liability Excess (Georgia and Ohio)	900250003	29

SCHEDULE 5.1.16  
INSURANCE POLICIES  
AS OF MAY 4, 2001

## FOOTNOTES

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## 1. AUTOMOBILE LIABILITY

Consolidated Stores Corporation, a Delaware corporation, and any person or firm or corporation, or any of its members, specifically designated by name as insured in a policy, as distinguished from others who although unnamed are protected under some circumstances.

## 2. COMMERCIAL CRIME

Consolidated Stores Corporation, a Delaware corporation, and its subsidiaries and any employee welfare or benefit plan now existing or hereafter created or acquired, sponsored by Consolidated Stores Corporation, a Delaware corporation, and its subsidiaries, which is required to be bonded under the Employee Retirement Income Security Act of 1974.

## 3. DIRECTORS and OFFICERS LIABILITY

Any person who has been, now is, or shall become a duly elected director or a duly elected or appointed officer of the insured organization, including Consolidated Stores Corporation, a Delaware corporation, and its subsidiaries.

## 4. EXCESS DIRECTORS and OFFICERS LIABILITY

Any person who has been, now is, or shall become a duly elected director or a duly elected or appointed officer of the insured organization, including Consolidated Stores Corporation, a Delaware corporation, and its subsidiaries.

## 5. EMPLOYMENT PRACTICES LIABILITY

Any past, present or future director, officer or employee of the insured organization, including Consolidated Stores Corporation, a Delaware corporation, and its subsidiaries.

## 6. EXCESS EMPLOYMENT PRACTICES LIABILITY

Any past, present or future director, officer or employee of the insured organization, including Consolidated Stores Corporation, a Delaware corporation, and its subsidiaries.

## 7. PUNITIVE DAMAGES WRAP AROUND EMPLOYMENT PRACTICES

Any past, present or future director, officer or employee of the insured organization, including Consolidated Stores Corporation, a Delaware corporation, and its subsidiaries.

8. EMPLOYMENT PRACTICES LIABILITY PUNITIVE DAMAGES WRAP AROUND -  
UNINSURABLE STATES

Consolidated Stores Corporation, a Delaware corporation.

SCHEDULE 5.1.16  
INSURANCE POLICIES  
AS OF MAY 4, 2001

9. EMPLOYMENT PRACTICES LIABILITY PUNITIVE DAMAGES WRAP AROUND OCCURRENCE  
(1-10000-00)

Consolidated Stores Corporation, a Delaware corporation.

10. EMPLOYMENT PRACTICES LIABILITY PUNITIVE DAMAGES WRAP AROUND OCCURRENCE  
(1-10002-00)

Consolidated Stores Corporation, a Delaware corporation.

11. EMPLOYED LAWYERS PROFESSIONAL LIABILITY

Any past, present or future full-time or part-time employee of Consolidated Stores Corporation, a Delaware corporation, who is admitted to practice law and who provides legal services for Consolidated Stores Corporation, a Delaware corporation.

12. SPECIAL COVERAGE

All employees, officers and directors of Consolidated Stores Corporation, a Delaware corporation, and subsidiaries.

13. INTERNATIONAL EXPORTERS PACKAGE

Consolidated Stores Corporation, a Delaware corporation, Mac Frugal's Bargains o Close-outs, Inc., and their affiliated subsidiaries and associated corporations and/or companies now existing or which may hereafter be created or acquired, and any party in interest which the insured is responsible to insure.

14. FIDUCIARY LIABILITY

Consolidated Stores Corporation, a Delaware corporation, and its subsidiaries.

15. GENERAL LIABILITY

Consolidated Stores Corporation, a Delaware corporation, and any person or firm or corporation, or any of its members, specifically designated by name as insured in a policy, as distinguished from others who although unnamed are protected under some circumstances.

16. UMBRELLA LIABILITY

Consolidated Stores Corporation, a Delaware corporation.

17. EXCESS LIABILITY -- 1st Layer

Consolidated Stores Corporation, a Delaware corporation, and any person or firm or corporation, or any of its members, specifically designated by name as insured in a policy, as distinguished from others who although unnamed are protected under some circumstances.

SCHEDULE 5.1.16  
INSURANCE POLICIES  
AS OF MAY 4, 2001

18. EXCESS LIABILITY -- 2nd Layer

Consolidated Stores Corporation, a Delaware corporation, and any person or firm or corporation, or any of its members, specifically designated by name as insured in a policy, as distinguished from others who although unnamed are protected under some circumstances.

19. PROPERTY DAMAGE - ALL RISK

Consolidated Stores Corporation, a Delaware corporation, Mac Frugal's Bargains - Close-outs, Inc. and its affiliated, subsidiary and associated companies and/or corporations as now or may hereafter be constituted or acquired.

20. STOCK THROUGHPUT

Consolidated Stores Corporation, a Delaware corporation, Mac Frugal's Bargains - Close-out, Inc., Closeout Distribution, Inc., and any subsidiary, affiliated, interrelated companies or corporation as now exist or may hereafter be constituted, created or acquired.

21. BUSINESS TRAVEL ACCIDENT

Consolidated Stores Corporation, a Delaware corporation, Mac Frugal's Bargains - Close-outs, Inc., and its affiliated, subsidiary and associated companies and/or corporations as now or may hereafter be constituted or acquired.

22. GEORGIA WORKER'S COMPENSATION

Consolidated Stores Corporation, an Ohio corporation.

23. OHIO WORKER'S COMPENSATION

Consolidated Stores Corporation, an Ohio corporation.

24. NEW YORK DISABILITY PROTECTION

Consolidated Stores Corporation, an Ohio corporation, Mac Frugal's Bargains o Close-outs, Inc., and its affiliated, subsidiary, and associated companies and/or corporations as now exist or may hereafter be constituted or acquired.

25. NORTH DAKOTA WORKER'S COMPENSATION

Consolidated Stores Corporation, an Ohio corporation.

26. WASHINGTON WORKER'S COMPENSATION

Consolidated Stores Corporation, an Ohio corporation, and PNS Stores, Inc.

SCHEDULE 5.1.16  
INSURANCE POLICIES  
AS OF MAY 4, 2001

27. WEST VIRGINIA WORKER'S COMPENSATION Consolidated Stores Corporation, an Ohio corporation.

28. WORKERS COMPENSATION/EMPLOYERS LIABILITY (ALL STATES)  
Consolidated Stores Corporation, a Delaware corporation, Consolidated Stores Corporation, an Ohio corporation, and any person or firm or corporation, or any of its members, specifically designated by name as insured in a policy, as distinguished from others who although unnamed are protected under some circumstances.

29. EXCESS WORKERS COMPENSATION/EMPLOYERS LIABILITY (GEORGIA AND OHIO)  
Consolidated Stores Corporation, an Ohio corporation, and any person or firm or corporation, or any of its members, specifically designated by name as insured in a policy, as distinguished from others who although unnamed are protected under some circumstances.

- - NOT APPLICABLE

- - NOT APPLICABLE

- - NOT APPLICABLE

FORM OF  
ASSIGNMENT AND ASSUMPTION AGREEMENT

Reference is made to the Credit Agreement dated as of May 8, 2001 (as amended, supplemented or modified from time to time, the "Credit Agreement") among CONSOLIDATED STORES CORPORATION, an Ohio corporation ("Borrower"), the Guarantors now or hereafter party thereto, the Banks now or hereafter party thereto, and NATIONAL CITY BANK, in its capacity as Administrative Agent for the Banks (the "Administrative Agent"), the Lead Arranger (the "Lead Arranger") and as a Managing Agent, FLEET NATIONAL BANK, in its capacity as the Syndication Agent (the "Syndication Agent") and as a Managing Agent, FIRST UNION NATIONAL BANK and PNC BANK, NATIONAL ASSOCIATION, in their capacity as Documentation Agents (the "Documentation Agents") and Managing Agents, and BANK OF AMERICA, N.A., THE BANK OF NEW YORK, and FIRSTAR BANK, N.A., in their capacity as Managing Agents (collectively, the "Managing Agents"). Unless otherwise defined herein, terms defined in the Credit Agreement are used herein with the same meanings.

\_\_\_\_\_ (the "Assignor") and \_\_\_\_\_  
(the "Assignee"), intending to be legally bound hereby, make this Assignment and Assumption Agreement this \_\_\_\_ day of \_\_\_\_\_, 200\_\_ and hereby agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, WITHOUT RECOURSE to the Assignor, a \_\_\_\_\_ percent (\_\_\_\_%) interest in and to all of the Assignor's rights and obligations under the Credit Agreement as of the Effective Date (as defined below), including without limitation, such percentage interest in the Assignor's Revolving Credit Commitment as in effect on the Effective Date, Assignor's 364-Day Loan Commitment as in effect on the Effective Date, the Loans owing to the Assignor on the Effective Date and the Notes evidencing the outstanding Loans held by the Assignor.

2. The Assignor (i) represents and warrants that, as of the date hereof, its Revolving Credit Commitment is \$\_\_\_\_\_, the unpaid principal amount of the Revolving Credit Loans owing to the Assignor is \$\_\_\_\_\_, its 364-Day Loan Commitment is \$\_\_\_\_\_, and the unpaid principal amount of the 364-Day Loans owing to the Assignor is \$\_\_\_\_\_; (ii) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (iii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or any of the Loan Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any of the Loan Documents or any other instrument or document furnished pursuant thereto; (iv) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Credit Agreement or any of the Loan Documents or any other instrument or document furnished pursuant thereto; and (v) attaches the

Notes referred to in paragraph 1 above and requests that the Administrative Agent exchange such Notes for new Notes as follows:

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements (if any) referred to in Sections 5.1.9, 7.3.1, and 7.3.2 of the Credit Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, any Documentation Agent, any Managing Agent, the Syndication Agent, the Assignor or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) appoints and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers under the Loan Documents as are delegated to the Administrative Agent by the terms thereof; (iv) agrees that it will become a party to and be bound by the Credit Agreement on the Effective Date (including without limitation the provisions of Section 10.11) as if it were an original Bank thereunder and will have the rights and obligations of a Bank thereunder and will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Bank; (v) specifies as its address for notices the office set forth beneath its name on the signature pages hereof.

4. The effective date of this Assignment and Assumption shall be \_\_\_\_\_, \_\_\_\_\_ (the "Effective Date"). Following the execution of this Assignment and Assumption, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent.

5. Upon such acceptance and recording, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Assumption, have the rights and obligations of a Bank thereunder and under the Loan Documents and (ii) the Assignor shall, to the extent provided in this Assignment and Assumption, relinquish its rights and be released from its obligations under the Credit Agreement, and the Revolving Credit Commitments and the 364-Day Loan Commitments of the Assignor and the Assignee shall be as set forth in Schedule I hereto.

6. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payment under the Credit Agreement and the Notes in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest, Facility Fees and Letter of Credit Fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement and the Notes for periods prior to the Effective Date directly between themselves.

7. The Assignor makes this assignment to the Assignee in consideration of the payment by the Assignee to the Administrative Agent of \$3,500, receipt of which is hereby acknowledged by the Assignor.

8. This Assignment and Assumption shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to its conflict of laws principles.

9. [THIS SECTION IS APPLICABLE ONLY IF THE ASSIGNEE IS INCORPORATED OUTSIDE OF THE UNITED STATES OR THE ADMINISTRATIVE AGENT HAS REQUESTED ASSIGNEE TO COMPLY WITH THE FOLLOWING.] Assignee has delivered to each of Borrower and the Administrative Agent, at least five (5) Business Days prior to the Effective Date, two duly completed appropriate valid Withholding Certificates certifying its status (i.e., U.S. or foreign person), if appropriate, making a claim of reduced, or exemption from, U.S. withholding tax on the basis of an income tax treaty or an exemption provided by the Internal Revenue Code.

[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

Notice Address:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Telephone No.: \_\_\_\_\_  
 Telecopier No.: \_\_\_\_\_  
 Attn: \_\_\_\_\_

CONSENTED TO this \_\_\_\_\_  
 day of \_\_\_\_\_, \_\_\_\_\_

[ADMINISTRATIVE AGENT]  
 [BORROWER]\*

By: \_\_\_\_\_  
 Title: \_\_\_\_\_

\*If applicable

## SCHEDULE I

Amount of Commitment for  
Revolving Credit Loans as  
of the Effective Date

Amount of Revolving  
Credit Loans as of the  
Effective Date

Amount of Commitment for  
364-Day Loans as of the  
Effective Date

Amount of 364-Day  
Loans held as of the  
Effective Date

[Assignor]	\$ _____	\$ _____	\$ _____	\$ _____
[Assignor]	\$ _____	\$ _____	\$ _____	\$ _____

## EXHIBIT 1.1(G)(1)

FORM OF JOINDER  
TO  
GUARANTY AND SURETYSHIP AGREEMENT  
AND  
INTERCOMPANY SUBORDINATION AGREEMENT  
AND  
LOAN DOCUMENTS

This Joinder to Guaranty and Suretyship Agreement and Intercompany Subordination Agreement (the "Joinder") dated as of \_\_\_\_\_, 200\_\_, is made by and among

1. each of the Guarantors (the "Existing Guarantors") under the Guaranty and Suretyship Agreement (the "Guaranty Agreement") dated as of \_\_\_\_\_, 2001, which are identified on the signature pages thereto, and by

2. each of the Companies ( the "Existing Companies") under the Intercompany Subordination Agreement (the "Subordination Agreement") dated as of \_\_\_\_\_, 2001, which are identified on the signature pages thereto, and by

3. each corporation which is identified under the caption "New Subsidiaries" in Schedule 1 hereto (each referred to herein as a "New Guarantor" or a "New Company") which has been formed or acquired by one or more of the Existing Guarantors and Existing Companies since \_\_\_\_\_, 2001 and is joining the Guaranty Agreement, the Subordination Agreement and the other Loan Documents on the date hereof pursuant to this Joinder.

Reference is made to the Credit Agreement dated as of May 8, 2001, as the same may be modified, supplemented or amended from time to time (the "Credit Agreement"), by and among Consolidated Stores Corporation, an Ohio corporation (the "Borrower"), the Guarantors now or hereafter party thereto, the Banks now or hereafter party thereto, and National City Bank, in its capacity as Administrative Agent ("Administrative Agent") for the Banks, the Lead Arranger (the "Lead Arranger") and as a Managing Agent, Fleet National Bank, in its capacity as the Syndication Agent (the "Syndication Agent") and as a Managing Agent, PNC Bank, National Association First Union National Bank, in their capacity as Documentation Agents (the "Documentation Agents") and Managing Agents, and Bank Of America, N.A., The Bank Of New York, and Firststar Bank, N.A., in their capacity as Managing Agents (collectively the "Managing Agents") (the Administrative Agent, Syndication Agent, Co-Documentation Agents, and the Managing Agents collectively referred to herein as the "Agents").

Each capitalized term used herein, unless otherwise defined herein, shall have the respective meaning specified in the Credit Agreement.

NOW THEREFORE, intending to be legally bound hereby, each Existing Guarantor and New Guarantor (each a "Guarantor") and each Existing Company and New Company (each a "Company") hereby agrees as follows:

1. JOINDER BY NEW GUARANTORS AND NEW COMPANIES.

1.1 Joinder by New Guarantors.

Each New Guarantor hereby (i) joins and becomes a party to (a) the Guaranty Agreement as a "Guarantor" thereunder and (b) each of the other Loan Documents which are stated to apply to or are made by a Guarantor, and (ii) makes and is bound by all of the representations, warranties, covenants and agreements made by a Guarantor therein.

1.2 Joinder by New Companies.

Each New Company hereby joins and becomes a party to the Subordination Agreement as a "Company" thereunder and makes and is bound by all of the representations, warranties, covenants and agreements made by a Company therein.

1.3 New Guarantors' and New Companies' Warranties.

Each New Guarantor and New Company hereby represents and warrants to the Agents and the Banks with respect to itself as follows:

1.3.1 No Conditions Precedent.

There are no conditions precedent to the effectiveness of the joinder by such New Guarantor and New Company pursuant to this Section 1 that have not been satisfied or waived.

1.3.2 No Reliance.

Each New Guarantor and New Company has, independently and without reliance upon the Agents and the Banks, or any of them, and based upon such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Joinder and into the Guaranty Agreement or Subordination Agreement, as applicable.

1.3.3 Acknowledgment.

Each New Guarantor and each New Company acknowledge receipt of the Credit Agreement, the Guaranty Agreement, the Subordination Agreement, and each of the other Loan Documents.

IN WITNESS WHEREOF, the Guarantors and the Companies have caused this Joinder to be executed and delivered on the date first written above.

GUARANTORS:

EACH ENTITY LISTED ON SCHEDULE 1  
HERETO UNDER THE CAPTION "NEW  
SUBSIDIARIES" OR "CORPORATE NAME"

By: \_\_\_\_\_

Title: \_\_\_\_\_

COMPANIES:

EACH ENTITY LISTED ON THE SIGNATURE  
PAGES TO THE INTERCOMPANY  
SUBORDINATION AGREEMENT

By: \_\_\_\_\_

Title: \_\_\_\_\_

SCHEDULE 1

PAGE 1 OF 4

PART 1--ENTITIES REFERRED TO IN SIGNATURE PAGE

CORPORATE NAME (INCLUDING NEW  
SUBSIDIARIES--THOSE ENTITIES WHICH ARE  
NEW SUBSIDIARIES ARE INDICATED BY FOOTNOTE)

- - - - -

EXHIBIT 1.1(G)(2)  
CONTINUING AGREEMENT OF GUARANTY AND SURETYSHIP

This Continuing Agreement of Guaranty and Suretyship (the "Guaranty"), dated as of this 8th day of May, 2001, is jointly and severally given by each of the undersigned and each of the other Persons which become Guarantors hereunder from time to time (each a "Guarantor" and collectively the "Guarantors") in favor of National City Bank, as Administrative Agent for the Banks (the "Agent") in connection with that Credit Agreement, dated as of the date hereof, by and among Consolidated Stores Corporation, an Ohio corporation (the "Borrower"), the Guarantors now or hereafter party thereto, the Banks now or hereafter party thereto (the "Banks"), and National City Bank, in its capacity as Administrative Agent for the Banks, the Lead Arranger and as a Managing Agent, Fleet National Bank, in its capacity as the Syndication Agent (the "Syndication Agent") and as a Managing Agent, PNC Bank, National Association and First Union National Bank, each in its capacity as Documentation Agent (the "Documentation Agents") and as Managing Agents, and Bank Of America, N.A., The Bank Of New York, and Firststar Bank, N.A., each in its capacity as a Managing Agent (collectively the "Managing Agents") (as amended, restated, modified, or supplemented from time to time hereafter, the "Credit Agreement"). Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them by the Credit Agreement.

1. GUARANTIED OBLIGATIONS. To induce the Agent and the Banks to make loans and grant other financial accommodations to the Borrower under the Credit Agreement, each Guarantor hereby unconditionally and irrevocably guaranties to the Agent and each Bank and each Affiliate of each Bank, and becomes surety, as though it was a primary obligor for, the full and punctual payment and performance when due (whether on demand, at stated maturity, by acceleration, or otherwise and including any amounts which would become due but for the operation of an automatic stay under the federal bankruptcy code of the United States or any similar laws of any country or jurisdiction) of all Obligations, including, without limiting the generality of the foregoing, all obligations, liabilities, and indebtedness from time to time of the Borrower or any other Guarantor to the Agent or any of the Banks or any Affiliate of any Bank under or in connection with the Credit Agreement, any other Loan Document, or any credit exposure under any interest rate protection agreement or hedging agreement, swap or other derivative securities, whether for principal, interest, fees, indemnities, expenses, interest rate breakage charges, or otherwise, and all refinancings or refundings thereof, whether such obligations, liabilities, or indebtedness are direct or indirect, secured or unsecured, joint or several, absolute or contingent, due or to become due, whether for payment or performance, now existing or hereafter arising (and including obligations, liabilities, and indebtedness arising or accruing after the commencement of any bankruptcy, insolvency, reorganization, or similar proceeding with respect to the Borrower or any Guarantor or which would have arisen or accrued but for the commencement of such proceeding, even if the claim for such obligation, liability, or indebtedness is not enforceable or allowable in such proceeding, and including all Obligations, liabilities, and indebtedness arising from any extensions of credit under or in connection with the Loan Documents from time to time, regardless whether any such extensions of credit are in excess of the amount committed under or contemplated by the Loan Documents or are made in circumstances in which any condition to extension of credit is not satisfied) (all of the foregoing obligations, liabilities and indebtedness are referred to herein collectively as the "Guarantied Obligations" and each as a "Guarantied Obligation"). Without limitation of the foregoing, any of the Guarantied Obligations shall be and remain Guarantied Obligations entitled to the benefit of this Guaranty if the Agent or any of the Banks (or any one or more assignees or transferees thereof) from time to time assign or otherwise transfer all or any portion of their respective rights and obligations under

the Loan Documents, or any other Guaranteed Obligations, to any other Person. In furtherance of the foregoing, each Guarantor jointly and severally agrees as follows.

2. GUARANTY. Each Guarantor hereby promises to pay and perform all such Guaranteed Obligations when due, or, immediately upon demand of the Agent and the Banks or any one or more of them pursuant to the Credit Agreement or other Loan Documents. All payments made hereunder shall be made by each Guarantor in immediately available funds in United States Dollars and shall be made without setoff, counterclaim, withholding, or other deduction of any nature.

3. OBLIGATIONS ABSOLUTE. The obligations of the Guarantors hereunder shall not be discharged or impaired or otherwise diminished by any failure, default, omission, or delay, willful or otherwise, by any Bank, the Agent, or Borrower or any other obligor on any of the Guaranteed Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Guarantor or would otherwise operate as a discharge of any Guarantor as a matter of law or equity. Each of the Guarantors agree that the Guaranteed Obligations will be paid and performed strictly in accordance with the terms of the Loan Documents. Without limiting the generality of the foregoing, each Guarantor agrees that this Guaranty is a continuing, unconditional guaranty of payment and performance and not of collection, that its obligations under this Guaranty shall be primary, absolute, and unconditional, and that the joint and several obligations of each Guarantor hereunder shall not be diminished, terminated, or otherwise similarly affected by any of the following:

(a) Any lack of genuineness, legality, validity, enforceability or allowability (in a bankruptcy, insolvency, reorganization or similar proceeding, or otherwise), or any avoidance or subordination, in whole or in part, of any Loan Document or any of the Guaranteed Obligations and regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of the Guaranteed Obligations, any of the terms of the Loan Documents, or any rights of the Agent or the Banks or any other Person with respect thereto;

(b) Any increase, decrease, or change in the amount, nature, type or purpose of any of the Guaranteed Obligations (whether or not contemplated by the Loan Documents as presently constituted); any change in the time, manner, method, or place of payment or performance of, or in any other term of, any of the Guaranteed Obligations; any execution or delivery of any additional Loan Documents; or any amendment, modification or supplement to, or refinancing or refunding of, any Loan Document or any of the Guaranteed Obligations;

(c) Any failure to assert any breach of or default under any Loan Document or any of the Guaranteed Obligations; any extensions of credit in excess of the amount committed under or contemplated by the Loan Documents, or in circumstances in which any condition to such extensions of credit has not been satisfied; any other exercise or non-exercise, or any other failure, omission, breach, default, delay, or wrongful action in connection with any exercise or non-exercise, of any right or remedy against the Borrower or any other Person under or in connection with any Loan Document or any of the Guaranteed Obligations; any refusal of payment or performance of any of the Guaranteed Obligations, whether or not with any reservation of rights against any Guarantor; or any application of collections (including but not limited to collections resulting from realization upon any direct or indirect security for the Guaranteed Obligations) to other obligations, if any, not entitled to the benefits of this Guaranty, in preference to Guaranteed Obligations entitled to the benefits of this Guaranty, or if any collections are applied to Guaranteed Obligations, any application to particular Guaranteed Obligations;

(d) Any taking, exchange, amendment, modification, supplement, termination, subordination, release, loss, or impairment of, or any failure to protect, perfect, or preserve the value of, or any enforcement of, realization upon, or exercise of rights, or remedies under or in connection with, or any failure, omission, breach, default, delay, or wrongful action by the Agent or the Banks, or any of them, or any other Person in connection with the enforcement of, realization upon, or exercise of rights or remedies under or in connection with, or, any other action or inaction by any of the Agent or the Banks, or any of them, or any other Person in respect of, any direct or indirect security for any of the Guaranteed Obligations. As used in this Guaranty, "direct or indirect security" for the Guaranteed Obligations, and similar phrases, includes any collateral security, guaranty, suretyship, letter of credit, capital maintenance agreement, put option, subordination agreement, or other right or arrangement of any nature providing direct or indirect assurance of payment or performance of any of the Guaranteed Obligations, made by or on behalf of any Person;

(e) Any merger, consolidation, liquidation, dissolution, winding-up, charter revocation, or forfeiture, or other change in, restructuring or termination of the corporate structure or existence of, the Borrower or any other Person; any bankruptcy, insolvency, reorganization or similar proceeding with respect to the Borrower or any other Person; or any action taken or election made by the Agent or the Banks, or any of them (including but not limited to any election under Section 1111(b)(2) of the United States Bankruptcy Code), the Borrower, or any other Person in connection with any such proceeding;

(f) Any defense, setoff, or counterclaim which may at any time be available to or be asserted by the Borrower or any other person with respect to any Loan Document or any of the Guaranteed Obligations; or any discharge by operation of law or release of the Borrower or any other Person from the performance or observance of any Loan Document or any of the Guaranteed Obligations;

(g) Any other event or circumstance, whether similar or dissimilar to the foregoing, and whether known or unknown, which might otherwise constitute a defense available to, or limit the liability of, any Guarantor, a guarantor or a surety, excepting only full, strict, and indefeasible payment and performance of the Guaranteed Obligations in full.

Each Guarantor acknowledges, consents, and agrees that new Guarantors may join in this Guaranty pursuant to Section 10.18 of the Credit Agreement and each Guarantor affirms that its obligations shall continue hereunder undiminished.

4. WAIVERS, ETC. Each of the Guarantors hereby waives any defense to or limitation on its obligations under this Guaranty arising out of or based on any event or circumstance referred to in Section 3 hereof. Without limitation and to the fullest extent permitted by applicable law, each Guarantor waives each of the following:

(a) All notices, disclosures and demand of any nature which otherwise might be required from time to time to preserve intact any rights against any Guarantor, including the following: any notice of any event or circumstance described in Section 3 hereof; any notice required by any law, regulation or order now or hereafter in effect in any jurisdiction; any notice of nonpayment, nonperformance, dishonor, or protest under any Loan Document or any of the Guaranteed Obligations; any notice of the incurrence of any Guaranteed Obligation; any notice of any default or any failure on the part of the Borrower or any other Person to comply with any Loan Document or any of the Guaranteed Obligations or any direct or indirect security for any of the Guaranteed Obligations; and any notice of any information pertaining to the business, operations, condition (financial or otherwise) or prospects of the Borrower or any other Person;

(b) Any right to any marshalling of assets, to the filing of any claim against the Borrower or any other Person in the event of any bankruptcy, insolvency, reorganization or similar proceeding, or to the exercise against the Borrower or any other Person of any other right or remedy under or in connection with any Loan Document or any of the Guaranteed Obligations or any direct or indirect security for any of the Guaranteed Obligations; any requirement of promptness or diligence on the part of the Agent or the Banks, or any of them, or any other Person; any requirement to exhaust any remedies under or in connection with, or to mitigate the damages resulting from default under, any Loan Document or any of the Guaranteed Obligations or any direct or indirect security for any of the Guaranteed Obligations; any benefit of any statute of limitations; and any requirement of acceptance of this Guaranty or any other Loan Document, and any requirement that any Guarantor receive notice of any such acceptance;

(c) Any defense or other right arising by reason of any law now or hereafter in effect in any jurisdiction pertaining to election of remedies (including but not limited to anti-deficiency laws, "one action" laws or the like), or by reason of any election of remedies or other action or inaction by the Agent or the Banks, or any of them (including but not limited to commencement or completion of any judicial proceeding or nonjudicial sale or other action in respect of collateral security for any of the Guaranteed Obligations), which results in denial or impairment of the right of the Agent or the Banks, or any of them, to seek a deficiency against the Borrower or any other Person or which otherwise discharges or impairs any of the Guaranteed Obligations; and

(d) Any and all defenses it may now or hereafter have based on principles of suretyship, impairment of collateral, or the like.

5. REINSTATEMENT. This Guaranty is a continuing obligation of the Guarantors and shall remain in full force and effect notwithstanding that no Guaranteed Obligations may be outstanding from time to time and notwithstanding any other event or circumstance. Upon termination of all Commitments and the expiration of all Letters of Credit and indefeasible payment in full of all Guaranteed Obligations, this Guaranty shall terminate; provided, however, that this Guaranty shall continue to be effective or be reinstated, as the case may be, any time any payment of any of the Guaranteed Obligations is rescinded, recouped, avoided, or must otherwise be returned or released by any Bank or Agent upon or during the insolvency, bankruptcy, or reorganization of, or any similar proceeding affecting, Borrower or for any other reason whatsoever, all as though such payment had not been made and was due and owing.

6. SUBROGATION. No Guarantor shall exercise any rights against Borrower or any other Guarantor arising in connection with the Guaranteed Obligations (including rights of subrogation, contribution, and the like) until the Guaranteed Obligations have been indefeasibly paid in full and all Commitments have been terminated and all Letters of Credit have expired. If any amount shall be paid to any Guarantor by or on behalf of Borrower or any other Guarantor by virtue of any right of subrogation, contribution, or the like, such amount shall be deemed to have been paid to such Guarantor for the benefit of, and shall be held in trust for the benefit of, the Agent and the Banks and shall forthwith be paid to the Agent to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms of the Credit Agreement.

7. NO STAY. Without limitation of any other provision of this Guaranty, if any declaration of default or acceleration or other exercise or condition to exercise of rights or remedies under or with respect to any Guaranteed Obligation shall at any time be stayed, enjoined, or prevented for any reason (including but not limited to stay or injunction resulting from the pendency against the Borrower or any other Person of a bankruptcy, insolvency, reorganization or similar proceeding), the Guarantors agree that, for the purposes of this Guaranty and their obligations hereunder, the Guaranteed Obligations shall

be deemed to have been declared in default or accelerated, and such other exercise or conditions to exercise shall be deemed to have been taken or met.

#### 8. TAXES.

(a) NO DEDUCTIONS. All payments made by any Guarantor under any of the Loan Documents shall be made free and clear of and without deduction for any present or future taxes, levies, imposts, deductions, charges, or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the net income of any Bank and all income and franchise taxes of the United States applicable to any Bank (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings, and liabilities being hereinafter referred to as "Taxes"). If any Guarantor shall be required by law to deduct any Taxes from or in respect of any sum payable under any of the Loan Documents, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Subsection (a) such Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Guarantor shall make such deductions and (iii) such Guarantor shall timely pay the full amount deducted to the relevant tax authority or other authority in accordance with applicable law.

(b) STAMP TAXES. In addition, each Guarantor agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges, or similar levies which arise from any payment made hereunder or from the execution, delivery, or registration of, or otherwise with respect to, any of the Loan Documents (hereinafter referred to as "Other Taxes").

(c) INDEMNIFICATION FOR TAXES PAID BY ANY BANK. Each Guarantor shall indemnify each Bank for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Subsection) paid by any Bank and any liability (including penalties, interest, and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted, except for Taxes which were or are not properly payable by the Borrower under the Credit Agreement. This indemnification shall be made within 30 days from the date a Bank makes written demand therefor, which shall include the full calculation of such Tax liability and all documentation relating thereto.

(d) CERTIFICATE. Within 30 days after the date of any payment of any Taxes by any Guarantor, such Guarantor shall furnish to each Bank upon written request from such Bank, the original or a certified copy of a receipt evidencing payment thereof. If no Taxes are payable in respect of any payment by such Guarantor, such Guarantor shall, if so requested by a Bank, provide a certificate of an officer of such Guarantor to that effect.

#### 9. JUDGMENT CURRENCY.

(a) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due under any of the Loan Documents in any currency (the "Original Currency") into another currency (the "Other Currency"), each Guarantor hereby agrees, to the fullest extent permitted by law, that the rate of exchange used shall be that at which in accordance with normal banking procedures each Bank could purchase the Original Currency with the Other Currency after any premium and costs of exchange on the Business Day preceding that on which final judgment is given.

(b) The obligation of each Guarantor in respect of any sum due from such Guarantor to any Bank under any of the Loan Documents shall, notwithstanding any judgment in an Other Currency, whether pursuant to a judgment or otherwise, be discharged only to the extent that, on the

business day (being a day on which it is open for business at its principal office in the United States) following receipt by any Bank of any sum adjudged to be so due in such Other Currency, such Bank may in accordance with normal banking procedures purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to such Bank in the Original Currency, each Guarantor agrees, as a separate obligation and notwithstanding any such judgment or payment, to indemnify such Bank against such loss.

10. NOTICES. Each Guarantor agrees that all notices, statements, requests, demands and other communications under this Guaranty shall be given to such Guarantor at the address set forth on a Schedule to, or in a Joinder and Assumption given under, the Credit Agreement and in the manner provided in Section 10.6 of the Credit Agreement. The Agent and the Banks may rely on any notice (whether or not made in a manner contemplated by this Guaranty) purportedly made by or on behalf of a Guarantor, and the Agent and the Banks shall have no duty to verify the identity or authority of the Person giving such notice.

11. COUNTERPARTS; TELECOPY SIGNATURES. This Guaranty may be executed in any number of counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. Each Guarantor acknowledges and agrees that a telecopy transmission to Agent or any Bank of signature pages hereof purporting to be signed on behalf of any Guarantor shall constitute effective and binding execution and delivery hereof by such Guarantor.

#### 12. SETOFF, DEFAULT PAYMENTS BY BORROWER.

(a) In the event that at any time any obligation of the Guarantors now or hereafter existing under this Guaranty shall have become due and payable, the Agent and the Banks, or any of them, shall have the right from time to time, without notice to any Guarantor, to set off against and apply to such due and payable amount any obligation of any nature of any Bank or the Agent, or any subsidiary or affiliate of any Bank or Agent, to any Guarantor, including but not limited to all deposits (whether time or demand, general or specific (but specifically excluding special deposits for tax withholding, ERISA and similar purposes), provisionally credited or finally credited, however evidenced) now or hereafter maintained by any Guarantor with the Agent or any Bank or any subsidiary or affiliate thereof. Such right shall be absolute and unconditional in all circumstances and, without limitation, shall exist whether or not the Agent or the Banks, or any of them, shall have given any notice or made any demand under this Guaranty or under such obligation to the Guarantor, whether such obligation to the Guarantor is absolute or contingent, matured or unmatured (it being agreed that the Agent and the Banks, or any of them, may deem such obligation to be then due and payable at the time of such setoff), and regardless of the existence or adequacy of any collateral, guaranty, or other direct or indirect security or right or remedy available to the Agent or any of the Banks. The rights of the Agent and the Banks under this Section are in addition to such other rights and remedies (including, without limitation, other rights of setoff and banker's lien) which the Agent and the Banks, or any of them, may have, and nothing in this Guaranty or in any other Loan Document shall be deemed a waiver of or restriction on the right of setoff or banker's lien of the Agent and the Banks, or any of them. Each of the Guarantors hereby agree that, to the fullest extent permitted by law, any affiliate or subsidiary of the Agent or any of the Banks and any holder of a participation in any obligation of any Guarantor under this Guaranty, shall have the same rights of setoff as the Agent and the Banks as provided in this Section (regardless whether such affiliate or participant otherwise would be deemed a creditor of the Guarantor).

(b) Upon the occurrence and during the continuation of any default under any Guaranteed Obligation, if any amount shall be paid to any Guarantor by or for the account of Borrower,

such amount shall be held in trust for the benefit of each Bank and Agent and shall forthwith be paid to the Agent to be credited and applied to the Guaranteed Obligations when due and payable.

13. CONSTRUCTION. The section and other headings contained in this Guaranty are for reference purposes only and shall not affect interpretation of this Guaranty in any respect. This Guaranty has been fully negotiated between the applicable parties, each party having the benefit of legal counsel, and accordingly neither any doctrine of construction of guaranties or suretyships in favor of the guarantor or surety, nor any doctrine of construction of ambiguities in agreement or instruments against the party controlling the drafting thereof, shall apply to this Guaranty.

14. SUCCESSORS AND ASSIGNS. This Guaranty shall be binding upon each Guarantor, its successors and assigns, and shall inure to the benefit of and be enforceable by the Agent and the Banks, or any of them, and their successors and assigns. Without limitation of the foregoing, the Agent and the Banks, or any of them (and any successive assignee or transferee), from time to time may assign or otherwise transfer all or any portion of its rights or obligations under the Loan Documents (including all or any portion of any commitment to extend credit), or any other Guaranteed Obligations, to any other person and such Guaranteed Obligations (including any Guaranteed Obligations resulting from extension of credit by such other Person under or in connection with the Loan Documents) shall be and remain Guaranteed Obligations entitled to the benefit of this Guaranty, and to the extent of its interest in such Guaranteed Obligations such other Person shall be vested with all the benefits in respect thereof granted to the Agent and the Banks in this Guaranty or otherwise.

15. GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) GOVERNING LAW. This agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of Ohio, without regard to its conflict of laws principles.

(b) CERTAIN WAIVERS. Each Guarantor hereby irrevocably:

(i) Consents to the nonexclusive jurisdiction of the Court of Common Pleas of Franklin County and the United States District Court for the Southern District of Ohio, and waives personal service of any and all process upon it and consents that all such service of process be made by certified or registered mail directed to the Borrower at the address provided for in the Credit Agreement and service so made shall be deemed to be completed upon actual receipt thereof;

(ii) Waives any objection to jurisdiction and venue of any action instituted against it as provided herein and agrees not to assert any defense based on lack of jurisdiction or venue; and

(iii) WAIVES TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING, OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE CREDIT AGREEMENT, OR ANY OTHER LOAN DOCUMENT TO THE FULLEST EXTENT PERMITTED BY LAW.

16. SEVERABILITY; MODIFICATION TO CONFORM TO LAW.

(a) It is the intention of the parties that this Guaranty be enforceable to the fullest extent permissible under applicable law, but that the unenforceability (or modification to conform to such law) of any provision or provisions hereof shall not render unenforceable, or impair, the remainder hereof. If any provision in this Guaranty shall be held invalid or unenforceable in whole or in part in any

jurisdiction, this Guaranty shall, as to such jurisdiction, be deemed amended to modify or delete, as necessary, the offending provision or provisions and to alter the bounds thereof in order to render it or them valid and enforceable to the maximum extent permitted by applicable law, without in any matter affecting the validity or enforceability of such provision or provisions in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

(b) Without limitation of the preceding subsection (a), to the extent that applicable law (including applicable laws pertaining to fraudulent conveyance or fraudulent or preferential transfer) otherwise would render the full amount of the Guarantor's obligations hereunder invalid, voidable, or unenforceable on account of the amount of a Guarantor's aggregate liability under this Guaranty, then, notwithstanding any other provision of this Guaranty to the contrary, the aggregate amount of such liability shall, without any further action by the Agent or any of the Banks or such Guarantor or any other Person, be automatically limited and reduced to the highest amount which is valid and enforceable as determined in such action or proceeding, which (without limiting the generality of the foregoing) may be an amount which is equal to the greater of:

(A) the fair consideration actually received by such Guarantor under the terms and as a result of the Loan Documents and the value of the benefits described in Section 19 (b) hereof, including (and to the extent not inconsistent with applicable federal and state laws affecting the enforceability of guaranties) distributions, commitments, and advances made to or for the benefit of such Guarantor with the proceeds of any credit extended under the Loan Documents, or

(B) the excess of (1) the amount of the fair value of the assets of such Guarantor as of the date of this Guaranty as determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors as in effect on the date hereof, over (2) the amount of all liabilities of such Guarantor as of the date of this Guaranty, also as determined on the basis of applicable federal and state laws governing the insolvency of debtors as in effect on the date hereof.

(c) Notwithstanding anything to the contrary in this Section or elsewhere in this Guaranty, this Guaranty shall be presumptively valid and enforceable to its full extent in accordance with its terms, as if this Section (and references elsewhere in this Guaranty to enforceability to the fullest extent permitted by law) were not a part of this Guaranty, and in any related litigation the burden of proof shall be on the party asserting the invalidity or unenforceability of any provision hereof or asserting any limitation on any Guarantor's obligations hereunder as to each element of such assertion.

17. ADDITIONAL GUARANTORS. At any time after the initial execution and delivery of this Guaranty to the Agent and the Banks, additional Persons may become parties to this Guaranty and thereby acquire the duties and rights of being Guarantors hereunder by executing and delivering to the Agent and the Banks a Guarantor Joinder and Assumption Agreement pursuant to the Credit Agreement. No notice of the addition of any Guarantor shall be required to be given to any pre-existing Guarantor and each Guarantor hereby consents thereto.

18. JOINT AND SEVERAL OBLIGATIONS. Each of the obligations of each and every Guarantor under this Guaranty are joint and several. The Agent and the Banks, or any of them, may, in their sole discretion, elect to enforce this Guaranty against any Guarantor without any duty or responsibility to pursue any other Guarantor and such an election by the Agent and the Banks, or any of them, shall not be a defense to any action the Agent and the Banks, or any of them, may elect to take against any Guarantor. Each of the Banks and Agent hereby reserve all right against each Guarantor.

## 19. RECEIPT OF CREDIT AGREEMENT, OTHER LOAN DOCUMENTS, BENEFITS.

(a) Each Guarantor hereby acknowledges that it has received a copy of the Credit Agreement and the other Loan Documents and each Guarantor certifies that the representations and warranties made therein with respect to such Guarantor are true and correct (with such of those representations and warranties qualified to the knowledge of such Loan Party, as applicable, being subject herein to the same qualification therein). Further, each Guarantor acknowledges and agrees to perform, comply with, and be bound by all of the provisions of the Credit Agreement and the other Loan Documents to the extent therein applicable to such Guarantor.

(b) Each Guarantor hereby acknowledges, represents, and warrants that it receives synergistic benefits by virtue of its affiliation with Borrower and the other Guarantors and that it will receive direct and indirect benefits from the financing arrangements contemplated by the Credit Agreement and that such benefits, together with the rights of contribution and subrogation that may arise in connection herewith are a reasonably equivalent exchange of value in return for providing this Guaranty.

## 20. [INTENTIONALLY OMITTED.]

## 21. MISCELLANEOUS.

(a) GENERALITY OF CERTAIN TERMS. As used in this Guaranty, the terms "hereof," "herein," and terms of similar import refer to this Guaranty as a whole and not to any particular term or provision; the term "including," as used herein, is not a term of limitation and means "including without limitation."

(b) AMENDMENTS, WAIVERS. No amendment to or waiver of any provision of this Guaranty, and no consent to any departure by any Guarantor herefrom, shall in any event be effective unless in a writing manually signed by or on behalf of the Agent and the Banks as provided in the Credit Agreement. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No delay or failure of the Agent or the Banks, or any of them, in exercising any right or remedy under this Guaranty shall operate as a waiver thereof; nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies of the Agent and the Banks under this Guaranty are cumulative and not exclusive of any other rights or remedies available hereunder, under any other agreement or instrument, by law, or otherwise.

(c) TELECOMMUNICATIONS. Each Bank and Agent shall be entitled to rely on the authority of any individual making any telecopy or telephonic notice, request, or signature without the necessity of receipt of any verification thereof.

(d) EXPENSES. Each Guarantor unconditionally agrees to pay all reasonable costs and expenses, including reasonable attorneys' fees incurred by the Agent or any of the Banks in enforcing this Guaranty against any Guarantor and each Guarantor shall pay and indemnify each Bank and Agent for, and hold it harmless from and against, any and all obligations, liabilities, losses, damages, costs, expenses (including disbursements and reasonable legal fees of counsel to any Bank or Agent), penalties, judgments, suits, actions, claims, and disbursements imposed on, asserted against, or incurred by any Bank or Agent (A) relating to the preparation, negotiation, execution, administration, or enforcement of or collection under this Guaranty or any document, instrument, or agreement relating to any of the Obligations, including in any bankruptcy, insolvency, or similar proceeding in any jurisdiction or

political subdivision thereof; (B) relating to any amendment, modification, waiver, or consent hereunder or relating to any telecopy or telephonic transmission purporting to be by any Guarantor or Borrower; (C) in any way relating to or arising out of this Guaranty, or any document, instrument, or agreement relating to any of the Guaranteed Obligations, or any action taken or omitted to be taken by any Bank or Agent hereunder, and including those arising directly or indirectly from the violation or asserted violation by any Guarantor or Borrower or Agent or any Bank of any law, rule, regulation, judgment, order, or the like of any jurisdiction or political subdivision thereof (including those relating to environmental protection, health, labor, importing, exporting, or safety) and regardless whether asserted by any governmental entity or any other Person, except for those obligations, liabilities, losses, damages, costs or expenses arising as a result of the gross negligence or willful misconduct of such Agent or Bank. The Banks will attempt to minimize the fees and expenses of legal counsel for the Banks which are subject to reimbursement by the Guarantors hereunder by considering the usage of one law firm to represent the Banks and the Agent if appropriate under the circumstances.

(e) PRIOR UNDERSTANDINGS. This Guaranty and the Credit Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede any and all other prior and contemporaneous understandings and agreements.

(f) SURVIVAL. All representations and warranties of the Guarantors made in connection with this Guaranty shall survive, and shall not be waived by, the execution and delivery of this Guaranty, any investigation by or knowledge of the Agent and the Banks, or any of them, any extension of credit, or any other event or circumstance whatsoever.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE 1 OF \_\_\_\_ OF CONTINUING AGREEMENT OF GUARANTY AND SURETYSHIP]

IN WITNESS WHEREOF, each Guarantor intending to be legally bound, has executed this Guaranty as of the date first above written with the intention that this Guaranty shall constitute a sealed instrument.

[LIST GUARANTORS]

By: \_\_\_\_\_ (SEAL)  
Name:  
Title:

## EXHIBIT 1.1(I)(1)

FORM OF  
INTERCOMPANY SUBORDINATION AGREEMENT

THIS INTERCOMPANY SUBORDINATION AGREEMENT (this "Agreement") is dated as of May \_\_, 2001 and is made by and among the entities listed on the signature page hereto (or subsequently joining this agreement) (each being individually referred to herein as a "Company" and collectively as the "Companies").

## WITNESSETH THAT:

WHEREAS, reference is made to that Credit Agreement, dated as of even date herewith, by and among Consolidated Stores Corporation, an Ohio corporation (the "Borrower"), the Guarantors now or hereafter party thereto (the "Guarantors"), the Banks now or hereafter party thereto (the "Banks"), and National City Bank, in its capacity as Administrative Agent ("Agent") for the Banks, the Lead Arranger and as a Managing Agent, Fleet National Bank, in its capacity as the Syndication Agent and as a Managing Agent, First Union National Bank and PNC Bank, National Association, in their capacity as Documentation Agents and Managing Agents, and Bank Of America, N.A., The Bank Of New York, and Firststar Bank, N.A., in their capacity as Managing Agents (collectively the "Managing Agents") (as amended, restated, modified, supplemented, or the like from time to time hereafter, the "Credit Agreement");

WHEREAS, pursuant to the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement), the Banks intend to make loans and grant other financial accommodations to or on behalf of the Borrower;

WHEREAS, the Companies are or may become indebted to each other (all present and future indebtedness of any Company to any other Company, now existing or hereafter incurred (whether created directly or acquired by assignment or otherwise), and interest and premiums, if any, thereon and other amounts payable in respect thereof are hereinafter collectively referred to as the "Intercompany Indebtedness"); and

WHEREAS, the obligations of the Banks to maintain the Commitments and make loans and grant other financial accommodations to or on behalf of the Borrower from time to time are subject to the condition, among others, that the Companies subordinate the Intercompany Indebtedness to the Obligations (as defined in the Credit Agreement) of the Borrower or any other Company to the Agent or the Banks arising pursuant to the Credit Agreement or any of the other Loan Documents (collectively, the "Senior Debt") in the manner set forth herein.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto covenant and agree as follows:

1. DEFINITIONS. Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them by the Credit Agreement. The recitals set forth above are hereby incorporated herein by reference. The term "including," as used in this Agreement, shall mean "including without limitation."

2. INTERCOMPANY INDEBTEDNESS SUBORDINATED TO SENIOR DEBT. All Intercompany Indebtedness shall be subordinate and subject in right of payment to the prior indefeasible payment in full of all Senior Debt pursuant to the provisions contained herein.

3. PAYMENT OVER OF PROCEEDS UPON DISSOLUTION, ETC. Upon any distribution of assets of any Company in the event of (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization, or other similar case or proceeding, relative to any such Company or to its creditors, as such, or to its assets, (b) any liquidation, dissolution or other winding up of any such Company, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or any marshalling of assets and liabilities of any such Company (a Company distributing assets as set forth herein being referred to in such capacity as a "Distributing Company"), then and in any such event, the Agent shall be entitled to receive, for the benefit of the Agent and the Banks as their respective interests may appear, indefeasible payment in full of all amounts due or to become due (whether or not an Event of Default has occurred under the terms of the Loan Documents or the Senior Debt has been declared due and payable prior to the date on which it would otherwise have become due and payable) on or in respect of any and all Senior Debt before the holder of any Intercompany Indebtedness owed by the Distributing Company is entitled to receive any payment on account of the principal of or interest or costs on such Intercompany Indebtedness, and to that end, the Agent shall be entitled to receive, for application to the payment of the Senior Debt, any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in respect of the Intercompany Indebtedness owed by the Distributing Company in any such case, proceeding, dissolution, liquidation, or other winding up event.

4. NO COMMENCEMENT OF ANY PROCEEDING. Each Company agrees that, so long as the Senior Debt shall remain unpaid, it will not commence, or join with any creditor other than the Banks or the Agent on behalf of the Banks in commencing, any collection, enforcement, or other proceeding including those described in Section 3 above against any other Company which owes it any Intercompany Indebtedness.

5. PRIOR PAYMENT OF SENIOR DEBT UPON ACCELERATION OF INTERCOMPANY INDEBTEDNESS. If any portion of the Intercompany Indebtedness owed by any Company becomes or is declared due and payable (excluding payments on the Intercompany Indebtedness prior to an Event of Default), then and in such event the Agent, on behalf of the Banks, and the Banks shall be entitled to receive indefeasible payment in full of all amounts due and to become due on or in respect of the Senior Debt (whether or not an Event of Default has occurred under the terms of the Loan Documents or the Senior Debt has been declared due and payable prior to the date on which it would otherwise have become due and payable) before the holder of any such Intercompany Indebtedness is entitled to receive any payment thereon.

6. NO PAYMENT WHEN SENIOR DEBT IN DEFAULT. If any Event of Default or Potential Default shall have occurred and be continuing, or such an Event of Default or Potential Default would result from or exist after giving effect to a payment with respect to any portion of the Intercompany Indebtedness, so long as any of the Senior Debt shall remain outstanding, no payment shall be made by any Company owing such Intercompany Indebtedness on account of principal or interest on any portion of the Intercompany Indebtedness, without the prior written consent of the Required Banks.

7. PAYMENT PERMITTED IF NO DEFAULT. Nothing contained in this Agreement shall prevent any of the Companies, at any time except during the pendency of any of the conditions described in Sections 3, 5 and 6, from making payments at any time of principal of or interest on any portion of the

Intercompany Indebtedness, or the retention thereof by any of the Companies of any money paid or deposited with them for the payment of or on account of the principal of or interest on the Intercompany Indebtedness.

8. RECEIPT OF PROHIBITED PAYMENTS. If any Company shall have received any payment or distribution of assets from any other Company of any kind or character in violation of Sections 3, 5, or 6, whether in cash, property or securities, then and in such event such payment or distribution shall be held in trust for the benefit of the Agent and the Banks, shall be segregated from other funds and property held by such Company, and shall be forthwith paid over to the Agent for the benefit of the Banks in the same form as so received (with any necessary endorsement) to be applied (in the case of cash) to or held as collateral (in the case of non-cash property or securities) for the payment or repayment of the Senior Debt in accordance with the terms of the Credit Agreement.

9. RIGHTS OF SUBROGATION. Each Company agrees that no payment or distribution to the Agent or the Banks pursuant to the provisions of this Agreement shall entitle it to exercise any rights of subrogation in respect thereof until the Senior Debt shall have been indefeasibly paid in full and the Commitments shall have terminated.

10. INSTRUMENTS EVIDENCING INTERCOMPANY INDEBTEDNESS. Each Company shall cause each instrument which now or hereafter evidences all or a portion of the Intercompany Indebtedness to be conspicuously marked as follows:

"This instrument is subject to the terms of an Intercompany Subordination Agreement dated as of \_\_\_\_\_, 2001 in favor of NATIONAL CITY BANK, as Administrative Agent for the Banks referred to therein, which Intercompany Subordination Agreement is incorporated herein by reference. Notwithstanding any contrary statement contained in the within instrument, no payment on account of the principal thereof or interest thereon shall become due or payable except in accordance with the express terms of said Intercompany Subordination Agreement."

Each Company will further mark its books of account in such a manner as shall be effective to give proper notice to the effect of this Agreement.

11. AGREEMENT SOLELY TO DEFINE RELATIVE RIGHTS. The purpose of this Agreement is solely to define the relative rights of the Companies, on the one hand, and the Agent and the Banks, on the other hand with respect to the Intercompany Indebtedness and the Senior Debt. Nothing contained in this Agreement is intended to or shall impair, as between any of the Companies, the obligation of the Companies to each other to pay the principal of and interest on the Intercompany Indebtedness as and when the same shall become due and payable in accordance with its terms, or is intended to or shall affect the relative rights among the Companies and their creditors other than the Agent and the Banks, nor shall anything herein prevent any of the Companies from exercising all remedies otherwise permitted by applicable Law upon default under any agreement pursuant to which the Intercompany Indebtedness is created, subject in each case, however, to Sections 3, 4, 5, 6, and 7 hereof, including the rights under this Agreement of the Agent and the Banks to receive cash, property or securities otherwise payable or deliverable with respect to the Intercompany Indebtedness.

12. NO IMPLIED WAIVERS OF SUBORDINATION. No right of the Agent, on behalf of the Banks, or any Bank to enforce subordination, as herein provided, shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Company or by any act or failure to act by the Agent or any Bank, or by any non-compliance by any Company with the terms, provisions and covenants of any agreement pursuant to which the Intercompany Indebtedness is created, regardless of any knowledge thereof the Agent or any Bank may have or be otherwise charged with. Each Company by its acceptance hereof agrees that, so long as there is Senior Debt or any Letter of Credit outstanding or any Commitment is in effect under the Credit Agreement, such Company shall not agree to sell, assign, pledge, encumber or otherwise dispose of, or to compromise, the obligations of the other Companies with respect to their Intercompany Indebtedness without the prior written consent of the Agent, other than payment or assignment of such Intercompany Indebtedness from one Company to another Company prior to an Event of Default. Without in any way limiting the generality of the foregoing paragraph, the Agent or any of the Banks may, at any time and from time to time, without the consent of or notice to the Companies (except the Borrower to the extent provided in the Credit Agreement), without incurring responsibility to the Companies and without impairing or releasing the subordination provided in this Agreement or the obligations hereunder of the Companies to the Agent and the Banks, do any one or more of the following: (i) change the manner, place or terms of payment, or extend the time of payment, renew or alter the Senior Debt or otherwise modify, amend, restate, or supplement the Senior Debt or the Loan Documents; (ii) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing the Senior Debt; (iii) release any person liable in any manner for the payment or collection of the Senior Debt; and (iv) exercise or refrain from exercising any rights against any of the Companies and any other Person.

13. ADDITIONAL LOAN PARTIES. The Companies covenant and agree that they shall cause Loan Parties created or acquired after the date of this Agreement, and any other Subsidiaries required to join this Agreement pursuant to Section 7.2.9 or otherwise under the Credit Agreement, to execute a Guarantor Joinder in the form of EXHIBIT 1.1(G)(1) to the Credit Agreement, whereby such entity joins this Agreement and subordinates all Indebtedness owed to any such Subsidiary by any of the Companies or other Loan Parties hereafter created or acquired to the Senior Debt.

14. CONTINUING FORCE AND EFFECT. This Agreement shall continue in force for so long as any portion of the Senior Debt remains unpaid and any Commitments or Letters of Credit under the Credit Agreement remain outstanding, it being contemplated that this Agreement be of a continuing nature.

15. MODIFICATION, AMENDMENTS OR WAIVERS. Any and all agreements amending or changing any provision of this Agreement or the rights of the Agent or the Banks hereunder, and any and all waivers or consents to Events of Default or other departures from the due performance of the Companies hereunder, shall be made only by written agreement, waiver, or consent signed by the Required Banks and the Agent, acting on behalf of all the Banks, or all Banks, as provided in the Credit Agreement, any such agreement, waiver or consent made with such written consent being effective to bind all the Banks.

16. EXPENSES. The Companies unconditionally and jointly and severally agree upon demand to pay to the Agent and the Banks the amount of any and all reasonable out-of-pocket costs, expenses and disbursements, including fees and expenses of counsel, which the Agent or any of the Banks may incur in connection with (a) the administration of this Agreement, (b) the exercise or enforcement of any of the

rights of the Agent or the Banks hereunder, or (c) the failure by the Companies to perform or observe any of the provisions hereof. The Banks will attempt to minimize the fees and expenses of legal counsel for the Banks which are subject to reimbursement by the Companies hereunder by considering the usage of one law firm to represent the Banks and the Agent if appropriate under the circumstances.

17. SEVERABILITY. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

18. GOVERNING LAW. This Agreement shall be a contract under the internal laws of the State of Ohio and for all purposes shall be construed in accordance with the laws of the State of Ohio without giving effect to the principles of conflict of laws.

19. SUCCESSORS AND ASSIGNS. This Agreement shall inure to the benefit of the Agent and the Banks and their respective successors and assigns, as permitted in the Credit Agreement, and the obligations of the Companies shall be binding upon their respective successors and assigns. The duties and obligations of any of the Companies may not be delegated or transferred by any such Companies without the written consent of the Banks and any such delegation or transfer without such consent shall be null and void. Except to the extent otherwise required by the context of this Agreement, the word "Banks" when used herein shall include any holder of a Note or an assignment of rights therein originally issued to a Bank under the Credit Agreement, and each such holder of a Note or assignment shall have the benefits of this Agreement to the same extent as if such holder had originally been a Bank under the Credit Agreement.

20. COUNTERPARTS; TELECOPY SIGNATURES. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. Each Company acknowledges and agrees that a telecopy transmission to the Agent or any Bank of signature pages hereof purporting to be signed on behalf of any Company shall constitute effective and binding execution and delivery hereof by such Company.

21. ATTORNEYS-IN-FACT. Each of the Companies hereby authorizes and empowers the Agent, at its election and in the name of either itself, for the benefit of the Agent and the Banks as their respective interests may appear, or in the name of each such Company as is owed Intercompany Indebtedness, after an Event of Default or insolvency proceeding shall have occurred and be continuing to execute and file proofs of claims and documents and take any other action the Agent may deem advisable to completely protect the Agent's and the Banks' interests in the Intercompany Indebtedness and their right of enforcement thereof, and to that end each of the Companies hereby irrevocably makes, constitutes and appoints the Agent, its officers, employees and agents, or any of them, with full power of substitution, as the true and lawful attorney-in-fact and agent of such Company, and with full power for such Company, and in the name, place and stead of such Company for the purpose of carrying out the provisions of this Agreement, and taking any action and executing, delivering, filing and recording any instruments which the Agent may deem necessary or advisable to accomplish the purposes hereof, which power of attorney, being given for security, is coupled with an interest and is irrevocable. Each

Company hereby ratifies and confirms, and agrees to ratify and confirm, all action taken by the Agent, its officers, employees or agents pursuant to the foregoing power of attorney.

22. APPLICATION OF PAYMENTS. In the event any payments are received by the Agent under the terms of this Agreement for application to the Senior Debt at any time when the Senior Debt has not been declared due and payable and prior to the date on which it would otherwise become due and payable, such payment shall constitute a voluntary prepayment of the Senior Debt for all purposes under the Credit Agreement.

23. REMEDIES. In the event of a breach by any of the Companies in the performance of any of the terms of this Agreement, the Agent, on behalf of the Banks, may demand specific performance of this Agreement and seek injunctive relief and may exercise any other remedy available at law or in equity, it being recognized that the remedies of the Agent on behalf of the Banks at law may not fully compensate the Agent on behalf of the Banks for the damages they may suffer in the event of a breach hereof.

24. CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL. Each of the Companies hereby irrevocably consents to the nonexclusive jurisdiction of the Court of Common Pleas of Franklin County, Ohio and the United States District Court for the Southern District of Ohio, waives personal service of any and all process upon it and consents that all such service of process be made by certified or registered mail directed to such Company at the address set forth or referred to in Section 25 hereof and service so made shall be deemed to be completed upon actual receipt thereof. Each of the Companies waives any objection to jurisdiction and venue of any action instituted against it as provided herein and agrees not to assert any defense based on lack of jurisdiction or venue, AND EACH OF THE COMPANIES WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT TO THE FULL EXTENT PERMITTED BY LAW.

25. NOTICES. All notices, statements, requests and demands and other communications given to or made upon the Companies, the Agent or the Banks in accordance with the provisions of this Agreement shall be given or made as provided in Section 10.6 of the Credit Agreement.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

[SIGNATURE PAGE 1 OF \_\_\_\_ TO  
INTERCOMPANY SUBORDINATION AGREEMENT]

WITNESS the due execution hereof as of the day and year first above  
written.

[INSERT SIGNATURE BLOCKS]

EXHIBIT 1.1(I)(2)  
FORM OF  
INTERCREDITOR AGREEMENT

This Intercreditor Agreement is dated as of May 8, 2001 among the holders of Series 2001-A Notes (as defined below) listed on the attached Annex I, each other holder of a Note (as defined below) that may hereafter become a party to this Agreement (each a "NOTEHOLDER" and collectively, the "NOTEHOLDERS"), and National City Bank, for itself and on behalf of the Bank Lenders (as defined below), as administrative agent for the banks under the Bank Credit Agreement (as defined below) (the "BANK AGENT") (each Noteholder, the Bank Agent, each Bank Lender, and any issuer of letters of credit under the Bank Credit Agreement, individually, a "CREDITOR" and collectively, the "CREDITORS").

R E C I T A L S:

A. Pursuant to a Note Purchase Agreement dated as of May 1, 2001 between Consolidated Stores Corporation, an Ohio corporation (the "COMPANY"), Consolidated Stores Corporation, a Delaware corporation and the parent of the Company (the "PARENT"), and the Noteholders (as such agreement may be further modified, amended, renewed or replaced, the "NOTE AGREEMENT"), the Company may issue and sell up to \$300,000,000 aggregate principal amount of its Senior Notes in series (the "NOTES") and has issued and sold to the Noteholders \$204,000,000 aggregate principal amount of its Series 2001-A Senior Notes, consisting of \$174,000,000 aggregate principal amount of 7.87% Senior Notes, Series 2001-A, Tranche 1, due May 15, 2005, \$15,000,000 aggregate principal amount of 7.97% Senior Notes, Series 2001-A, Tranche 2, due May 15, 2006, and \$15,000,000 aggregate principal amount of 8.07% Senior Notes, Series 2001-A, Tranche 3, due May 15, 2007 (collectively, the "SERIES 2001-A NOTES").

B. Pursuant to a Credit Agreement to be dated May [ ] 2001 (as such agreement may be modified, amended, renewed or replaced, including any increase in the amount thereof, the "BANK CREDIT AGREEMENT") among the Company, the guarantors from time to time party thereto, and each of the banks party thereto (collectively with the successors and assigns thereof, the "BANK LENDERS"), the Bank Lenders will provide to the Company certain credit facilities in a current aggregate principal amount up to \$512,500,000 (all amounts outstanding in respect of said credit facilities, including principal, interest, contingent reimbursement obligations payable in cash and relating to letters of credit and obligations to provide cash cover for letters of credit and obligations or credit exposure under any interest rate protection agreement or hedging agreement, swap or other derivative securities, interest rate breakage charges, indemnities and expenses, all being hereinafter collectively referred to as the "BANK OBLIGATIONS").

C. Pursuant to the Note Agreement and as security for the Notes (i) each of the subsidiaries of the Company listed on the attached Annex II (collectively, together with each other subsidiary of the Company that shall at any time be a Guarantor under a Subsidiary Guaranty, as hereinafter defined, the "SUBSIDIARY GUARANTORS") have executed and delivered, in favor of the Noteholders, a guaranty agreement (as such guarantee may be modified, amended,

renewed or replaced, including any increase in the amount thereof, the "SUBSIDIARY NOTE GUARANTY") dated as of May 1, 2001 and (ii) the Parent has executed and delivered, in favor of the Noteholders, a guaranty agreement (as such guaranty may be modified, amended, renewed or replaced, including any increase in the amount thereof, the "PARENT NOTE GUARANTY" and, together with the Subsidiary Note Guaranty, the "NOTE GUARANTIES") dated as of May 1, 2001. Pursuant to the Note Guaranties, the Subsidiary Guarantors and the Parent have guaranteed the payment of the principal of, make-whole amount, if any, and interest on the Notes and the payment and performance of all other obligations of the Company under the Note Agreement.

D. As security for the Bank Obligations, each Subsidiary Guarantor and the Parent will guaranty, pursuant to the Bank Credit Agreement and the Agreement of Guaranty and Suretyship referred to therein, to the Banks the payment of the Bank Obligations and the payment and performance of all other obligations of the Company under the Bank Credit Agreement (as such guarantee may be modified, amended, renewed or replaced, including any increase in the amount thereof, the "BANK OBLIGATION GUARANTY").

E. The Bank Obligation Guaranty and the Note Guaranties are each hereinafter referred to as a "GUARANTY."

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

#### SECTION 1. DEFINITIONS.

The following terms shall have the meanings assigned to them below in this Section 1 or in the provisions of this Agreement referred to below:

"BANK AGENT" has the meaning assigned in the introductory paragraph.

"BANK CREDIT AGREEMENT" has the meaning assigned in the Recitals.

"BANK LENDERS" has the meaning assigned in the Recitals.

"BANK OBLIGATION GUARANTY" has the meaning assigned in the Recitals.

"BANK OBLIGATIONS" has the meaning assigned in the Recitals.

"BANKRUPTCY PROCEEDING" means, with respect to any Person, a general assignment of such Person for the benefit of its creditors, or the institution by or against such Person of any proceeding seeking relief as debtor, or seeking to adjudicate such Person as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of such Person or its debts, under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for such Person or for any substantial part of its property.

"COMPANY" has the meaning assigned in the Recitals.

"CREDITOR" has the meaning assigned in the introductory paragraph.

"EXCESS GUARANTY PAYMENT" means, as to any Creditor, an amount equal to the Guaranty Payment received by such Creditor LESS the Pro Rata Share of Guaranty Payments to which such Creditor is then entitled.

"GUARANTOR" means any Subsidiary Guarantor or the Parent and "GUARANTORS" means the Subsidiary Guarantors and the Parent Guarantor, collectively.

"GUARANTY" has the meaning assigned in the Recitals.

"GUARANTY PAYMENT" has the meaning assigned in Section 2.

"HEDGING EXPOSURE" means, on any date of determination for any Hedging Transaction, the amount, as calculated in good faith and in a commercially reasonable manner by the Bank Lender or an affiliate of the Bank Lender that is the Company's counterparty for such Hedging Transaction, which such Bank Lender or affiliate would pay to a third party (such amount being expressed as a negative number) or receive from a third party (such amount being expressed as a positive number) in an arm's length transaction as consideration for the third party's entering into a new transaction with such Bank Lender or affiliate in which: (a) such Bank Lender or affiliate holds the same position in the Hedging Transaction as it currently holds; (b) the third party holds the same position as the Company currently holds; and (c) the new transaction has economic and other terms and conditions identical in all respect to such Hedging Transaction except that (i) the date of calculation shall be deemed to be the date of commencement of the new transaction, and (ii) all period end dates shall correspond to all period end dates, if any, for such Hedging Transaction.

"HEDGING TRANSACTION" means each interest rate swap transaction entered into by the Company from time to time with a Bank Lender or an affiliate of a Bank Lender; provided that such transaction is entered for purposes of protection from interest rate fluctuations posed by indebtedness of the Company or its subsidiaries and not for speculative purposes.

"NOTE AGREEMENT" has the meaning assigned in the Recitals.

"NOTEHOLDER" has the meaning assigned in the introductory paragraph.

"NOTE GUARANTIES" has the meaning assigned in the Recitals.

"NOTES" has the meaning assigned in the Recitals.

"PARENT" has the meaning assigned in the Recitals.

"PARENT NOTE GUARANTY" has the meaning assigned in the Recitals.

"PERSON" means any individual, corporation, company, voluntary association, partnership, joint venture, limited liability company, trust, unincorporated organization or government (or any agency, instrumentality or political subdivision thereof).

"PRO RATA SHARE OF GUARANTY PAYMENTS" means, as of the date of any Guaranty Payment to a Creditor, an amount equal to the product obtained by multiplying (a) the amount of all Guaranty Payments made by the Guarantors to all Creditors concurrently with the payments to such Creditor LESS all reasonable costs incurred by such Creditors in connection with the collection of such Guaranty Payments by (b) a fraction, the numerator of which is the Specified Amount then owing to such Creditor and the denominator of which is the aggregate amount of all outstanding Subject Obligations (without giving effect in the denominator to the application of any such Guaranty Payments). The Pro Rata Share of Guaranty Payments shall be based upon the following calculation as of the date of any determination:

(i) Until any expenses then due such Creditor shall have been paid, the numerator shall be the portion of the Specified Amount which consists of such expenses (including fees of the Bank Agent), and the denominator shall be that portion of the aggregate amount of outstanding Subject Obligations consisting of expenses due (including fees of the Bank Agent);

(ii) After giving effect to the payment of all expenses, if any, described in clause (i), the numerator shall be the portion of the Specified Amount which consists of principal, interest, reimbursement obligations, contingent or otherwise, related to letters of credit, and Hedging Exposure, and the denominator shall be that portion of the aggregate amount of outstanding Subject Obligations that consist of principal, interest, reimbursement obligations, contingent or otherwise, relating to letters of credit and Hedging Exposure; and

(iii) After giving effect to the payment of all outstanding amounts described in clauses (i) and (ii) above, the numerator shall be the Specified Amount of all other Subject Obligations and the denominator shall be the aggregate amount of all other Subject Obligations, in each case including make-whole amount, breakage and any other fees and indemnities.

"RECEIVING CREDITOR" has the meaning assigned in Section 2.

"SERIES 2001-A NOTES" has the meaning assigned in the Recitals.

"SPECIFIED AMOUNT" means, as to any Creditor, the aggregate amount of the Subject Obligations owed to such Creditor, or for purposes of the calculation of Pro Rata Share of Guaranty Payments, that portion thereof consisting of (i) expenses due, (ii) principal, interest, reimbursement obligations, contingent or otherwise, relating to letters of credit, and Hedging Exposure, or (iii) any other amounts owed, including make-whole amounts, interest rate breakage charges and any other fees and indemnities.

"SUBJECT OBLIGATIONS" means all principal of, and interest and make-whole amounts, if any, on, the Notes and the Bank Obligations and expenses then due under the Bank Credit Agreement or the Note Agreement.

"SUBSIDIARY GUARANTORS" has the meaning assigned in the Recitals.

"SUBSIDIARY NOTE GUARANTY" has the meaning assigned in the Recitals.

"TRIGGERING EVENT" means: (a) the occurrence and continuation of a Bankruptcy Proceeding with respect to the Company or any Guarantor, (b) any Creditor has exercised its right of set-off or banker's lien following an Event of Default under the Bank Credit Agreement or the Note Agreement or (c) the unpaid principal amount of the obligations under the Bank Credit Agreement or the Note Agreement, as applicable, and all interest accrued and unpaid thereon have been declared to be then due and payable.

## SECTION 2. SHARING OF RECOVERIES.

(a) Each Creditor agrees with each other Creditor that all payments received in connection with a Guaranty or pursuant to any Creditor's right of set-off or banker's lien (whether based on common law, statute, contract or otherwise) (any of the foregoing, a "GUARANTY PAYMENT") upon or following the occurrence of a Triggering Event shall be shared so that each Creditor shall receive its Pro Rata Share of Guaranty Payments with respect to such Guaranty Payment in the order of priority of payment of the Subject Obligations. Accordingly, each Creditor agrees that if (a) an event described in the prior sentence has occurred, (b) any Creditor receives a Guaranty Payment (a "RECEIVING CREDITOR"), and (c) any other Creditor does not concurrently receive its Pro Rata Share of Guaranty Payments, then the Receiving Creditor shall promptly remit such portion of the Excess Guaranty Payment to the other Creditors who are then entitled thereto so that after giving effect to such payment (and any other payments then being made by any other Receiving Creditor pursuant to this Section 2) the other Creditors shall have received the Pro Rata Share of Guaranty Payments for such Creditor. In the event that any Guaranty Payment or part thereof received by any Creditor is recovered thereafter from such Creditor by any Guarantor (including any trustee in bankruptcy of any Guarantor or any creditor thereof), then such Guaranty Payment or part thereof shall, for purposes of this Section 2, be deemed to have not been received. In the event that a Bank Lender has the obligation to make a Guaranty Payment to any other Creditor, the Bank Lender shall make the Guaranty Payment due to such other Creditor to the Bank Agent, which shall in turn make a further distribution to the Noteholders and the Bank Lenders in the amount of their respective Pro Rata Share of Guaranty Payments. In the event that a Note Holder has the obligation to make a Guaranty Payment to any Bank Lender, the Noteholder shall make the Guaranty Payment due to such Bank Lender to the Bank Agent, which shall in turn make a further distribution to the Bank Lenders in the amount of their respective Pro Rata Share of Guaranty Payments.

(b) Any such Excess Guaranty Payments shall be deemed to be and shall be made in consideration of the purchase for cash at face value, but without recourse, ratably from the other Creditors such amount of Subject Obligations (or interest therein) to the extent necessary to cause such Creditor to share such Excess Guaranty Payment with the other Creditors as

hereinabove provided; PROVIDED, HOWEVER, that if any such purchase or payment is made by any Receiving Creditor and if such Excess Guaranty Payment or part thereof is thereafter recovered from such Receiving Creditor by any Guarantor (including, without limitation, by any trustee in bankruptcy of any Guarantor or any creditor thereof), the related purchase from the other Creditors shall be rescinded ratably and the purchase price restored to the Receiving Creditor as to the portion of such Excess Guaranty Payment so recovered, but without interest; and PROVIDED FURTHER nothing herein contained shall obligate any Creditor to resort to any setoff, application of deposit balance or other means of payment under any Guaranty or avail itself of any recourse by resort to any property of the Company or any Guarantor, the taking of any such action to remain within the absolute discretion of such Creditor without obligation of any kind to the other Creditors to take any such action.

(c) Any Guaranty Payments made to a Creditor after a Triggering Event on account of any undrawn (in whole or in part) letters of credit shall be held by the Creditor as collateral security for such liabilities. If any such letters of credit expire or terminate without having been drawn upon in full, amounts held by the Creditor with respect to the undrawn portion of any such expired or terminated letters of credit, together with the interest or investment earnings earned in connection with any investments of the amounts so held, shall be deemed to be a new Guaranty Payment received by the Creditor to be shared in accordance with the provisions of this Section 2 unless such amounts are required to be and are turned over to the Company or its subsidiaries pursuant to the Bank Credit Agreement or the Note Agreement, as the case may be.

### SECTION 3. AGREEMENTS AMONG THE CREDITORS.

SECTION 3.1. INDEPENDENT ACTIONS BY CREDITORS. Nothing contained in this Agreement shall prohibit any Creditor from accelerating the maturity of, or demanding payment from any Guarantor on, any Subject Obligation of the Company to such Creditor or from instituting legal action against the Company or any Guarantor to obtain a judgment or other legal process in respect of such Subject Obligation, but any funds received from any Guarantor in connection with any recovery therefrom shall be subject to the terms of this Agreement.

SECTION 3.2. RELATION OF CREDITORS. This Agreement is entered into solely for the purposes set forth herein, and no Creditor assumes any responsibility to any other party hereto to advise such other party of information known to such other party regarding the financial condition of the Company or any Guarantor or of any other circumstances bearing upon the risk of nonpayment of any Subject Obligation. Each Creditor specifically acknowledges and agrees that nothing contained in this Agreement is or is intended to be for the benefit of the Company or any Guarantor or any creditor of the Company or any Guarantor which is not a Creditor and nothing contained herein shall limit or in any way modify any of the obligations of the Company or any Guarantor to the Creditors.

SECTION 3.3. ACKNOWLEDGMENT OF GUARANTIES. Each party expressly acknowledges the existence and validity of the Note Guaranties and the Bank Obligation Guaranty, agrees not to contest or challenge the validity of the Note Guaranties or the Bank Obligation Guaranty and agrees that the judicial or other determination of the invalidity of the Note Guaranties or the Bank Obligation Guaranty shall not affect the provisions of this Agreement.

SECTION 3.4. NOTICE OF CERTAIN EVENTS. Each Bank Lender agrees that upon (i) the Bank Lender obtaining knowledge of the occurrence of a Triggering Event or (ii) the receipt by such Bank Lender of a Guaranty Payment, it shall promptly notify the Bank Agent, and in turn the Bank Agent shall notify the Bank Lenders and Noteholders of the occurrence of such Triggering Event or the receipt of such Guaranty Payment. Each Noteholder agrees that upon (i) the Noteholder obtaining knowledge of the occurrence of a Triggering Event or (ii) the receipt by such Noteholder of a Guaranty Payment, it shall promptly notify the other Noteholders and the Bank Agent, and in turn the Bank Agent shall notify the Bank Lenders of the occurrence of such Triggering Event or the receipt of such Guaranty Payment.

#### SECTION 4. MISCELLANEOUS.

SECTION 4.1. ENTIRE AGREEMENT. This Agreement represents the entire Agreement among the Creditors and, except as otherwise provided, this Agreement may not be altered, amended, modified or terminated except in a writing executed by all the parties to this Agreement.

SECTION 4.2. NOTICES. Notices hereunder to the Creditors shall be given to the applicable Creditor in the manner and at their addresses set forth in the Note Agreement and the Bank Credit Agreement, or at such other address as may be designated by such Creditor in a written notice, in the case of the Noteholders, to the other parties hereto, and in the case of the Bank Lenders, to the Bank Agent.

SECTION 4.3. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of each of the Creditors and their respective successors and assigns, whether so expressed or not, and, in particular, shall inure to the benefit of and be enforceable by any future holder or holders of any Subject Obligations, and the term "Creditor" shall include any such subsequent holder of Subject Obligations, wherever the context permits.

SECTION 4.4. CONSENTS, AMENDMENT, WAIVERS. All amendments, waivers or consents of any provision of this Agreement shall be effective only if the same shall be in writing and signed by all of the Creditors.

SECTION 4.5. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio.

SECTION 4.6. COUNTERPARTS. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one Agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart.

SECTION 4.7. SALE OF INTEREST. No Creditor will sell, transfer or otherwise dispose of any interest in the Subject Obligations unless such purchaser or transferee shall agree in writing to be bound by the terms of this Agreement, other than the sale of a participation in the Bank Credit Agreement.

SECTION 4.8. SEVERABILITY. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and

enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

SECTION 4.9. CERTAIN EXPENSES. The Company agrees to pay directly the out-of-pocket expenses in connection with the preparation, execution and delivery of this Agreement and the transactions contemplated hereby and all such expenses of any of the Bank Agent and fees and expenses of counsel to the Noteholders relating to any proposed amendment, waivers or consents, whether or not consummated, pursuant to the provisions hereof.

SECTION 4.10. EFFECTIVENESS. Notwithstanding anything contained herein to the contrary, this Agreement shall not be effective until it shall have been executed and delivered by the Bank Agent and each of the Noteholders.

SECTION 4.11. HEADINGS. The headings of the sections and subsections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

SECTION 4.12. EFFECT OF BANKRUPTCY OR INSOLVENCY. This Agreement shall continue in effect notwithstanding the bankruptcy or insolvency of any party hereto or the Company or any Guarantor.

[Signature pages follow]

IN WITNESS WHEREOF, the parties have caused this Intercreditor Agreement to be executed as the date first above written.

ALLSTATE LIFE INSURANCE COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Authorized Signatories

TRANSAMERICA OCCIDENTAL LIFE  
INSURANCE COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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GENERAL ELECTRIC CAPITAL  
ASSURANCE COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

GE EDISON LIFE INSURANCE COMPANY

By: -----  
Name: -----  
Title: -----

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CONNECTICUT GENERAL LIFE  
INSURANCE COMPANY

By: CIGNA Investments, Inc. (authorized  
agent)

By: -----

Name: -----

Title: -----

LIFE INSURANCE COMPANY OF NORTH  
AMERICA

By: CIGNA Investments, Inc. (authorized  
agent)

By: -----

Name: -----

Title: -----

THE TRAVELERS INSURANCE COMPANY

By: -----  
Name: -----  
Title: -----

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THE TRAVELERS LIFE AND ANNUITY  
COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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PRINCIPAL LIFE INSURANCE COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FIRST ALLMERICA FINANCIAL LIFE  
INSURANCE COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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## HARTFORD LIFE AND ANNUITY

INSURANCE COMPANY

By: Hartford Investment Services, Inc.,  
its Agent and Attorney-in-Fact

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

NATIONWIDE LIFE INSURANCE  
COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

PACIFIC LIFE INSURANCE COMPANY

By: -----

Name: -----

Title: -----

By: -----

Name: -----

Title: -----

AMERICAN FAMILY LIFE INSURANCE  
COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

CLARICA LIFE INSURANCE COMPANY--  
U.S.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PHOENIX HOME LIFE MUTUAL  
INSURANCE CO.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BANK AGENT:

NATIONAL CITY BANK

By: -----

Name: -----

Title: -----

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The Company acknowledges the foregoing Agreement, agrees to be bound to by Section 4.9 and acknowledges that it has no rights under the Agreement, including the right to notice of or consent to any amendment thereto.

CONSOLIDATED STORES CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ANNEX I  
NOTEHOLDERS

INFORMATION RELATING TO PURCHASERS

NAME OF PURCHASER	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	TRANCHE 1 -----	TRANCHE 2 -----	TRANCHE 3 -----
Allstate Life Insurance Company	\$9,000,000	\$7,000,000 \$6,000,000	\$10,000,000 \$3,000,000

- (1) All payments by Fedwire transfer of immediately available funds, identifying the name of the Issuer, the Private Placement Number preceded by "DPP" and the payment as principal, interest or premium in the format as follows:

BBK = Harris Trust and Savings Bank  
ABA #071000288  
BNF = Allstate Life Insurance Company  
Collection Account #168-117-0  
ORG = Consolidated Stores Corporation  
OBI = DPP - 210149 B\* 0  
Payment Due Date (MM/DD/YY) - P (Enter "P"  
and amount of principal being remitted, for example,  
P5000000) - I (Enter "I" and amount of interest being  
remitted, for example, I225000.00)

- (2) All notices of scheduled payments and written confirmations of such wire transfer to be sent to:

Allstate Insurance Company  
Investment Operations - Private Placements  
3075 Sanders Road, STE G4A  
Northbrook, IL 60062-7127  
Telephone: (847) 402-2769  
Telecopy: (847) 326-5040

- (3) Securities to be delivered to:

Citibank, Federal Savings Bank  
U.S. Custody & Employee Benefit Trust  
500 W. Madison Street, Floor 6, Zone 4  
Chicago, IL 60661-2591  
Attention: Pam Jost  
For Allstate Life Insurance Company/ Safekeeping Account No. 846627

- (4) All financial reports, compliance certificates and all other written communications, including notice of prepayments, to be sent to:

Allstate Life Insurance Company  
Private Placements Department  
3075 Sanders Road, STE G5B  
Northbrook, IL 60062-7127  
Telephone: (847) 402-8922  
Telecopy: (847) 402-3092

Tax I.D. #: 36-2554642

## INFORMATION RELATING TO PURCHASERS

NAME OF PURCHASER	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	TRANCHE 1	TRANCHE 2	TRANCHE 3
Transamerica Occidental Life Insurance Company			
	\$30,000,000		

- (1) All payments on account of the TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY shall be made by wire transfer of immediately available funds to:

Boston Safe Deposit Trust  
 ABA# - 011001234  
 Credit DDA Account #125261  
 Attn: MBS Income, cc1253  
 Custody account # TRAF1505252  
 FC TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY.

ADDITIONAL REQUIRED INFORMATION: Identify source and application of funds.

Include the following: Security/Issuer Description, CUSIP (if available), principal and interest.

- (2) Payment Advice and Original Note:

All notice of and confirmation of PAYMENT information and the ORIGINAL note should be sent to the following address stating that the certificate is registered in the name of Transamerica Occidental Life Insurance Company.

AEGON USA Investment Management, Inc.  
 Attn: Angie Naslund  
 4333 Edgewood Road NE  
 Cedar Rapids, IA 52499-5113  
 Fax #: (319) 896-6843

- (3) Other Communication:

All other communications including FINANCIAL STATEMENT/REPORTING and ALL CLOSING DOCUMENTS should be directed to:

AEGON USA Investment Management, Inc.  
 Attn: Lizz Taylor--Private Placements  
 400 West Market Street  
 Louisville, KY 40202-5335

Fax #: (502) 560-2030

AND

AEGON USA Investment Management, Inc.  
Attn: Director of Private Placements  
4333 Edgewood Road NE  
Cedar Rapids, IA 52499-5335  
Fax #: (319) 369-2666

TWO sets of conformed closing documents to:

AEGON USA Investment Management, Inc.  
Attn: Lizz Taylor--Private Placements  
400 West Market Street  
Louisville, KY 40202-5335  
Fax #: (502) 560-2030

AEGON USA Investment Management, Inc.  
Attn: Director of Private Placements  
4333 Edgewood Road NE  
Cedar Rapids, IA 52499-5335  
Fax #: (319) 369-2666

Stites & Harbison, PLLC  
AEGON Center  
Attention: Mary Scott Herrington  
400 West Market Street, Suite 1800  
Louisville, KY 40202

Tax ID #: 95-1060502

(1) Notices:

GE Financial Assurance  
Account: GE Edison Life Insurance Company  
Two Union Square, 601 Union Street  
Seattle, WA 98101  
Attn: (see below)

- Attn: Investment Dept., Private Placements  
Telephone No.: (206) 516-4954  
Fax No: (206) 516-4863

- Attn: Investment Accounting  
Telephone No.: (206) 516-2871  
Fax No.: (206) 516-4740

Bankers Trust Company  
14 Wall Street  
New York, NY 10005  
SWIFT Code: BKTR US 33  
ABA #021001033  
Account Number 99-911-145  
FCC #: 098620  
Ref: security description, coupon, maturity, PPN #, identify  
principal or interest.

## (3) Physical Delivery of the Notes:

Bankers Trust Co.  
14 Wall Street, 4th Floor  
Mail Stop 4042, Window 61  
New York, NY 10005  
Acct #098620  
Attn: Lorraine Squires (212) 618-2200

## (4) Register In Nominee Name: SALKELD &amp; CO.

TAX ID #: None (Foreign Company)

## INFORMATION RELATING TO PURCHASERS

NAME OF PURCHASER	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	TRANCHE 1	TRANCHE 2	TRANCHE 3
General Electric Capital Assurance Company			
	\$20,000,000		

## (1) Notices:

All notices and communications:

GE Financial Assurance  
 Account: General Electric Capital Assurance Company  
 Two Union Square, 601 Union Street  
 Seattle, WA 98101  
 Attn: (see below)

- original note agreement, conformed copy of the note agreement, amendment requests, financial statements to be addressed as follows:

Attn: Investment Dept., Private Placements  
 Telephone No: (206) 516-4954  
 Fax No: (206) 516-4863

- notices with respect to payments and written confirmation of each such payment, to be addressed as follows:

Attn: Investment Accounting  
 Telephone No.: (206) 516-2871  
 Fax No.: (206) 516-4740

## (2) Payments:

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds to:

Bankers Trust Company  
 14 Wall Street  
 New York, NY 10005  
 SWIFT Code: BKTR US 33  
 ABA #021001033  
 Account Number 99-911-145  
 FCC #: 097833  
 Ref: security description, coupon, maturity, PPN #, identify principal or interest.

(3) Physical Delivery of the Notes:

Bankers Trust Co.  
14 Wall Street, 4th Floor  
Mail Stop 4042, Window 61  
New York, NY 10005  
Acct #097833  
Attn: Lorraine Squires (212) 618-2200

(4) Register In Nominee Name: SALKELD & CO.

Tax ID #: 91-6027719

## INFORMATION RELATING TO PURCHASERS

NAME OF PURCHASER	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	TRANCHE 1	TRANCHE 2	TRANCHE 3
Connecticut General Life Insurance Company			
(notes registered in the name of CIG & Co.)	\$4,100,000		
	\$4,100,000		
	\$3,600,000		
	\$1,000,000		
	\$1,000,000		
	\$1,000,000		
	\$1,600,000		

## (1) Payment on Account of Instruments

Federal Funds Wire Transfer

Chase NYC/CTR/  
BNF= CIGNA Private Placements/ AC = 9009001802  
ABA# 021000021

Accompanying Information:

OBI= [name of company; description of security; interest rate,  
maturity date; PPN; due date and application (as among principal,  
premium and interest of the payment being made); contact name and  
phone]

## (2) Address for Notices Related to Payments

CIG & Co.  
c/o CIGNA Investments, Inc.  
Attention: Securities Processing S-309  
900 Cottage Grove Road  
Hartford, CT 06152-2309

CIG & Co.  
c/o CIGNA Investments, Inc.  
Attention: Private Securities S-307  
Operations Group  
900 Cottage Grove Road  
Hartford, CT 06152-2307  
Fax: 860-726-7203

with a copy to:

Chase Manhattan Bank  
Private Placement Servicing  
P.O. Box 1508  
Bowling Green Station  
New York, NY 10081  
Attention: CIGNA Private Placements  
Fax: 212-552-3107/1005

(3) Address for all other Notices:

CIG & Co.  
c/o CIGNA Investments, Inc.  
Attention: Private Securities S-307  
Operations Group  
900 Cottage Grove Road  
Hartford, CT 06152-2307  
Fax: 860-726-7203

TAX ID #: 13-3574027

## INFORMATION RELATING TO PURCHASERS

NAME OF PURCHASER	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	TRANCHE 1	TRANCHE 2	TRANCHE 3
Life Insurance Company of North America			
(notes registered in the name of CIG & Co.)	\$3,600,000		

## (1) Payment on Account of Instruments

Federal Funds Wire Transfer

Chase NYC/CTR/  
BNF= CIGNA Private Placements/ AC = 9009001802  
ABA# 021000021

Accompanying Information:  
OBI= [name of company; description of security; interest rate,  
maturity date; PPN; due date and application (as among principal,  
premium and interest of the payment being made); contact name and  
phone]

## (2) Address for Notices Related to Payments

CIG & Co.  
c/o CIGNA Investments, Inc.  
Attention: Securities Processing S-309  
900 Cottage Grove Road  
Hartford, CT 06152-2309

CIG & Co.  
c/o CIGNA Investments, Inc.  
Attention: Private Securities S-307  
Operations Group  
900 Cottage Grove Road  
Hartford, CT 06152-2307  
Fax: 860-726-7203

with a copy to:

Chase Manhattan Bank  
Private Placement Servicing  
P.O. Box 1508  
Bowling Green Station  
New York, NY 10081  
Attention: CIGNA Private Placements  
Fax: 212-552-3107/1005

(3) Address for all other Notices:

CIG & Co.  
c/o CIGNA Investments, Inc.  
Attention: Private Securities S-307  
Operations Group  
900 Cottage Grove Road  
Hartford, CT 06152-2307  
Fax: 860-726-7203

TAX ID #: 13-3574027

Tax ID #: 06-0566090 (a Connecticut corporation)



## INFORMATION RELATING TO PURCHASERS

NAME OF PURCHASER	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	TRANCHE 1	TRANCHE 2	TRANCHE 3
Principal Life Insurance Company			
	\$10,000,000		
	\$2,500,000		
	\$1,000,000		
	\$500,000		
	\$500,000		
	\$500,000		

- (1) All notices with respect to the Notes to be made payable to Principal Life, except with respect to payment should be sent to:

Principal Capital Management, LLC  
 801 Grand Ave.  
 Des Moines, IA 50392-0800  
 ATTN: Investment Department--Securities  
 Fax: (515) 248-2490  
 Confirmation: (515) 248-3495

- (2) All notices with respect to payments on the Notes payable to Principal Life should be sent to:

Principal Capital Management, LLC  
 801 Grand Ave.  
 Des Moines, IA 50392-0960  
 ATTN: Investment Accounting--Securities  
 Fax Number: (515) 248-2643  
 Phone Confirmation: (515) 247-0689

- (3) All payments with respect to the Notes payable to Principal Life should be made by a wire transfer of immediately available funds to:

ABA No.: 073000228  
 Wells Fargo Bank Iowa, N.A.  
 7th and Walnut Streets  
 Des Moines, IA 50309  
 For credit to Principal Life Insurance Company  
 Account No.: 0000014752  
 OBI PFGSE (S) B00638440

With sufficient information (including interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds.

(4) Upon closing, deliver the Notes to:

Principal Capital Management, LLC  
801 Grand Avenue  
Des Moines, IA 50392-0301  
Attn.: Jon Heiny, Esq.

TAX ID #: 42-0127290

## INFORMATION RELATING TO PURCHASERS

NAME OF PURCHASER	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	TRANCHE 1	TRANCHE 2	TRANCHE 3
First Allmerica Financial Life Insurance Company			
440 Lincoln Street	\$10,000,000		
Worcester, MA 01653			
Telefacsimile: (508) 852-6935			

## (1) Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as to CUSIP#, issuer, coupon rate and due date and indicating that portion of each payment intended to comprise (i) principal, (ii) interest, and (iii) a premium or other payment, specifying each) to:

Bankers Trust Company  
New York, NY 10005  
ABA No. 021 001 033  
Account No. 99-911-145 of Allmerica

For further credit to:  
First Allmerica Financial Life Insurance Company  
Account No. 090232

## (2) Notices

All notices and communications, including notices with respect to payments and written confirmation of each such payment, to be addressed as first provided above.

TAX ID #: 04-1867050



## (4) Physical Delivery of Notes:

Chase Manhattan Bank  
North America Insurance  
3 MetroTech Center-- 6th Floor  
Brooklyn, NY 11245  
Attn: Bettye Carrera  
Custody Account Number: G06583-ILA must appear on outside  
of envelope

TAX ID #: 39-1052598



- (4) The original note should be registered in the name of Nationwide Life insurance Company and delivered to:

The Bank of New York  
One Wall Street  
3rd Floor--Window A  
New York, NY 10286  
F/A/O Nationwide Life Insurance Co. Acct# 267829

## INFORMATION RELATING TO PURCHASERS

NAME OF PURCHASER	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	TRANCHE 1	TRANCHE 2	TRANCHE 3
American Family Life Insurance Company			
6000 American Parkway	\$5,500,000		
Madison, WI 53783-0001			
Attn: Investment Division- Private Placements			

## (1) Payments:

All Payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds. Each such wire transfer shall set forth the name of the Company, the full title (including the coupon rate and final maturity date) of the Notes, and the due date and APPLICATION AMONG PRINCIPAL AND INTEREST OF THE PAYMENT BEING MADE. Payment shall be made to:

Firststar Bank Milwaukee, N.A.  
 Account of Firststar Trust Company  
 ABA # 075000022  
 For Credit to Account #112-950-027  
 Trust Account 000018012500 for AFLIC-Traditional Portfolio  
 Attn: Donna Glidden (414) 765-6709  
 Credit for CUSIP #\_\_\_\_\_

## (2) Notices:

All notices and communications, including notices with respect to payments and written confirmation of each such payment as well as quarterly and annual financial statements, be addressed as first provided above.

## (3) Nominee name in which notes are to be registered: BAND &amp; Co.

## (4) Delivery of Notes: Send special delivery by overnight carrier to:

Firststar Bank Milwaukee, N.A.  
 Securities Processing  
 Attn: Mark Niemiec  
 1555 North Rivercenter Drive  
 Suite 210  
 Milwaukee, WI 53212-3958

In addition, a specimen copy of each Note should be sent to American Family Life Insurance Company as addressed above.

TAX ID #: 39-6040365

## INFORMATION RELATING TO PURCHASERS

NAME OF PURCHASER	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	TRANCHE 1	TRANCHE 2	TRANCHE 3
American Family Life Insurance Company			
6000 American Parkway	\$1,500,000		
Madison, WI 53783-0001			
Attn: Investment Division- Private Placements			

## (1) Payments:

All Payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds. Each such wire transfer shall set forth the name of the Company, the full title (including the coupon rate and final maturity date) of the Notes, and the due date and APPLICATION AMONG PRINCIPAL AND INTEREST OF THE PAYMENT BEING MADE. Payment shall be made to:

Firststar Bank Milwaukee, N.A  
 Account of Firststar Trust Company  
 ABA # 075000022  
 For Credit to Account #112-950-027  
 Trust Account 000018012800 for Annuities Portfolio  
 Attn: Donna Glidden (414) 765-6709  
 Credit for CUSIP #\_\_\_\_\_

## (2) Notices:

All notices and communications, including notices with respect to payments and written confirmation of each such payment as well as quarterly and annual financial statements, be addressed as first provided above.

## (3) Nominee name in which notes are to be registered: BAND &amp; Co.

## (4) Delivery of Notes: Send special delivery by overnight carrier to:

Firststar Bank Milwaukee, N.A.  
 Securities Processing  
 Attn: Mark Niemiec  
 1555 North Rivercenter Drive  
 Suite 210  
 Milwaukee, WI 53212-3958

In addition, a specimen copy of each Note should be sent to American Family Life Insurance Company as addressed above.

TAX ID #: 39-6040365

## INFORMATION RELATING TO PURCHASERS

NAME OF PURCHASER	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	TRANCHE 1	TRANCHE 2	TRANCHE 3
Pacific Life Insurance Company			
	\$5,000,000		
	\$3,000,000		

## (1) Delivery/Registration Instructions

Account Information:  
 Nominee Name: MAC & CO.

## (2) Please include all information to ensure proper delivery of certificates and P &amp; I. For Physical Delivery of Certificates:

Mellon Securities Trust Company  
 120 Broadway, 13th Floor  
 New York, NY 10271  
 Attn: Robert Feraro 212.374.1918  
 A/C Name: Pacific Life General Acct  
 A/C#: PLCF1810132

## For Payment of Principal &amp; Interest:

Federal Reserve Bank of Boston  
 ABA# 0110-0123-4/BOS SAFE DEP  
 DDA 125261  
 Attn: MBS Income CC: 1253

A/C Name: Pacific Life General Account/PLCF1810132  
 REGARDING: SECURITY DESCRIPTION & PPN

## (3) All notices of payments and written confirmations of such wire transfers to:

Mellon Trust  
 Attn: Pacific Life Accounting Team  
 One Mellon Bank Center-Room 0930  
 Pittsburgh, PA 15258-0001  
 FAX# 412-236-7529

And

Pacific Life Insurance Company  
Attn: Securities Administration - Cash Team  
700 Newport Center Drive  
Newport Beach, CA 92660-6397  
FAX# 949-640-4013

(4) All other communications shall be addressed to:

Pacific Life Insurance Company  
Attn: Securities Department  
700 Newport Center Drive  
Newport Beach, CA 92660-6397  
FAX# 949-219-5406

TAX ID#: 95-1079000

NAME OF PURCHASER	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	TRANCHE 1	TRANCHE 2	TRANCHE 3
Phoenix Home Life Mutual Insurance Co.			
	\$2,000,000	\$2,000,000	\$2,000,000

## (1) For Principal and Interest Payments for Tranche 1 Note:

ABA 021 000 021  
 Bank: Chase Manhattan Bank, N.A.  
 City, State New York, NY  
 Acct. No. 900 9000 200  
 Acct. Name: Income Processing  
 Reference: G05689, Phoenix Home, PPN = (Pvt. Plcmt. #)  
 OBI = (issuer name), Rate = (coupon), Due =  
 (mat. date) INCLUDE Company name, principal and  
 interest breakdown and premium, if any.

## (2) For Principal and Interest Payments for Tranche 2 Note:

ABA 021 000 021  
 Bank: Chase Manhattan Bank, N.A.  
 City, State New York, NY  
 Acct. No. 900 9000 200  
 Acct. Name: Income Processing  
 Reference: G05520, Phoenix Home, PPN = (Pvt. Plcmt. #)  
 OBI = (issuer name), Rate = (coupon), Due =  
 (mat. date) INCLUDE Company name, principal and  
 interest breakdown and premium, if any.

## (3) For Principal and Interest Payments for Tranche 3 Note:

ABA 021 000 021  
 Bank: Chase Manhattan Bank, N.A.  
 City, State New York, NY  
 Acct. No. 900 9000 200  
 Acct. Name: Income Processing  
 Reference: G05123, Phoenix Home, PPN = (Pvt. Plcmt. #)  
 OBI = (issuer name), Rate = (coupon), Due =  
 (mat. date) INCLUDE Company name, principal and  
 interest breakdown and premium, if any.

(4) Please send any correspondence and remittance reports to:

Phoenix Investment Partners  
c/o Phoenix Home Life Mutual Insurance Co.  
56 Prospect Street  
Hartford, CT 06115  
Attn: Private Placement Dept.  
Main fax: 860-403-7248

TAX ID #: 06-0493340

NAME OF PURCHASER	PRINCIPAL AMOUNT OF SERIES 2001-A NOTES TO BE PURCHASED		
	TRANCHE 1	TRANCHE 2	TRANCHE 3
Clarica Life Insurance Company--U.S.			
c/o Clarica U.S., Inc. 13890 Bishop's Drive, Suite 300 Brookfield, WI 53005 Attention: Connie Keller Phone: (262) 641-4022 Facsimile: (262) 641-4055	\$3,000,000		

- (1) All payments on account of the Notes shall be made by wire or intrabank transfer of immediately available funds to:

ABA Routing Transit Number: Wells Fargo Bank Minnesota, N.A.  
 \*(field 3400) 091000019  
 Beneficiary Account Number: 0000840245 (Must be 10 digits in length)  
 Beneficiary Account Name: Trust Wire Clearing (Must be on line 2)  
 \*(field 4200)  
 OBI FFC: I.C. 13326600 Consolidated  
 Stores Corp. PPN:  
 \*(field 6000) P= I=  
 End Balance=  
 \*Federal Reserve Field Tag Numbers

- (2) All notices in respect of payment shall be delivered to:

Clarica Life Insurance Company-U.S.  
 c/o Clarica U.S. Inc.  
 Attn: Kae Miller  
 13890 Bishop's Drive, Suite 300  
 Brookfield, WI 53005  
 Telephone: (262) 641-4042  
 Facsimile: (262) 641-4055

- (3) All other communications shall be delivered to:

Clarica Life Insurance Company-U.S.  
 c/o Clarica U.S. Inc.  
 Attn: Kae Miller  
 13890 Bishop's Drive, Suite 300  
 Brookfield, WI 53005  
 Telephone: (262) 641-4042  
 Facsimile: (262) 641-4055

(4) Name of Nominee in which Notes are to be issued: Clarica Life Insurance  
Company- U.S.

Taxpayer I.D. Number: #45-0208990

## ANNEX II

## SUBSIDIARY GUARANTORS

Mac Frugal's Bargains Close-outs, Inc.  
TRO, Inc.  
Capital Retail Systems, Inc.  
PNS Stores, Inc.  
West Coast Liquidators, Inc.  
C.S. Ross Company  
CSC Distribution, Inc.  
Closeout Distribution, Inc.  
Industrial Products of New England, Inc.  
Tool and Supply Company of New England, Inc.  
Midwestern Home Products, Inc.  
Consolidated Property Holdings, Inc.  
Great Basin LLC  
Sonoran LLC  
Sahara LLC  
Midwestern Home Products Company, Ltd.

## EXHIBIT 1.1(P) - PAYOFF LETTER

May 8, 2001

Consolidated Stores Corporation  
300 Phillipi Road  
Columbus, OH 43228

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of May 3, 1996 among Consolidated Stores Corporation (the "Borrower"), the guarantors party thereto, the banks party thereto (the "Banks"), and National City Bank, as administrative agent for the banks (the "Agent") (as amended from time to time, the "EXISTING CREDIT AGREEMENT"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Existing Credit Agreement.

The aggregate principal amount due and owing from the Borrower in connection with the Existing Credit Agreement, together with all accrued but unpaid interest thereon, fees associated therewith and any other costs totals \$296,953,969.05 (exclusive of Swing Loans and Letter of Credit fees thereunder), if paid on May 8, 2001 (the "PAYOFF DATE"), and if paid on any later date totals such amount plus additional interest in the amount of \$55,254.05 per day for each day after the Payoff Date, to and including the date of such payment (the "PAYOFF AMOUNT").

Upon receipt by the Agent for the ratable account of the Banks of the Payoff Amount in good funds, together with those sums outstanding relating to Swing Loans and Letter of Credit fees in the amounts communicated by the Agent to the Borrower (the "Other Amounts"), the Existing Credit Agreement and all commitments thereunder to lend shall be permanently, irrevocably and unconditionally terminated.

Payment of the Payoff Amount and the Other Amounts in full shall be transferred by wire to the Agent, for the ratable account of the Banks, in federal funds, in accordance with the following instructions:

National City Bank  
Cleveland, Ohio  
Acct. # 151810  
ABA: 041000124  
Credit: Agent Services  
Attention: Vicki Niemela 614-463-7133  
Ref: Consolidated Stores Corporation

Upon receipt by the undersigned of payment in full of the Payoff Amount and the Other Amounts, (i) the Existing Credit Agreement will automatically be deemed to be terminated and the Banks party thereto shall have no further obligations thereunder and (ii) all of the obligations of the Borrower to the Banks under the Existing Credit Agreement and the other loan documents

Consolidated Stores Corporation  
May 4, 2001  
Page 2

in connection therewith shall be terminated, except for those obligations that  
by their terms survive termination of the Existing Credit Agreement.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE 1 OF 4 TO PAYOFF LETTER]

WITNESS the due execution hereof as of the day and year first above written.

BORROWER:

CONSOLIDATED STORES CORPORATION, an  
Ohio corporation

By: \_\_\_\_\_  
Title: \_\_\_\_\_

NATIONAL CITY BANK, as Administrative  
Agent, as a Managing Agent and as a Bank

By: \_\_\_\_\_  
Title: \_\_\_\_\_

PNC BANK, NATIONAL ASSOCIATION, as  
Documentation Agent, as a Managing Agent  
and as a Bank

By: \_\_\_\_\_  
Title: \_\_\_\_\_

THE BANK OF NEW YORK, as Syndication  
Agent, as a Managing Agent and as a Bank

By: \_\_\_\_\_  
Title: \_\_\_\_\_

FIRST UNION NATIONAL BANK, as a Managing  
Agent and as a Bank

By: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE 2 OF 4 TO PAYOFF LETTER]

FIRSTAR BANK, N.A.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

FLEET NATIONAL BANK, as a Managing Agent  
and as a Bank

By: \_\_\_\_\_  
Title: \_\_\_\_\_

BANK OF AMERICA, N.A., as a Managing Agent  
and as a Bank

By: \_\_\_\_\_  
Title: \_\_\_\_\_

WELLS FARGO BANK, N. A.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

THE FIFTH THIRD BANK OF COLUMBUS

By: \_\_\_\_\_  
Title: \_\_\_\_\_

BANK ONE, N. A., as Co-Syndication Agent,  
as a Managing Agent and as a Bank

By: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE 3 OF 4 TO PAYOFF LETTER]

BANK OF TOKYO-MITSUBISHI TRUST  
COMPANY, as a Co-Agent and as a Bank

By: \_\_\_\_\_  
Title: \_\_\_\_\_

KEYBANK NATIONAL ASSOCIATION, as a Co-  
Agent and as a Bank

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ABN AMRO BANK N. V.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

BANK HAPOLIM BM

By: \_\_\_\_\_  
Title: \_\_\_\_\_

COMERICA BANK

By: \_\_\_\_\_  
Title: \_\_\_\_\_

FIRST HAWAIIAN BANK

By: \_\_\_\_\_  
Title: \_\_\_\_\_

HSBC BANK USA

By: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE 4 OF 4 TO PAYOFF LETTER]

WACHOVIA BANK OF GEORGIA, N.A.

By: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT 1.1(R)

FORM OF  
REVOLVING CREDIT NOTE

\$ \_\_\_\_\_

Columbus, Ohio  
May \_\_\_, 2001

FOR VALUE RECEIVED, the undersigned, CONSOLIDATED STORES CORPORATION, an Ohio corporation (herein called the "Borrower"), hereby promises to pay to the order of \_\_\_\_\_ (the "Bank"), the lesser of (i) the principal sum of \_\_\_\_\_ (US\$ \_\_\_\_\_), or (ii) the aggregate unpaid principal balance of all Revolving Credit Loans made by the Bank to the Borrower pursuant to the Credit Agreement, dated as of even date herewith, among the Borrower, the Guarantors now or hereafter party thereto, the Banks now or hereafter party thereto, and National City Bank, in its capacity as Administrative Agent (hereinafter referred to in such capacity as the "Agent") for the Banks, the Lead Arranger and as a Managing Agent, Fleet National Bank, in its capacity as the Syndication Agent and as a Managing Agent, First Union National Bank and PNC Bank, National Association, in their capacity as Documentation Agents and Managing Agents, and Bank Of America, N.A., The Bank Of New York, and Firststar Bank, N.A., in their capacity as Managing Agents (as amended, restated, modified, or supplemented from time to time, the "Credit Agreement"), payable by 12:00 noon (Columbus time) on the Revolving Credit Expiration Date, together with interest on the unpaid principal balance hereof from time to time outstanding from the date hereof at the rate or rates per annum specified by the Borrower pursuant to, or as otherwise provided in, the Credit Agreement.

Interest on the unpaid principal balance hereof from time to time outstanding from the date hereof will be payable at the times provided for in the Credit Agreement. Upon the occurrence and during the continuation of an Event of Default, the Borrower shall pay interest on the entire principal amount of the then outstanding Revolving Credit Loans evidenced by this Revolving Credit Note and all other obligations due and payable to the Bank pursuant to the Credit Agreement and the other Loan Documents at a rate per annum as set forth in Section 3.3 of the Credit Agreement. Such interest rate will accrue before and after any judgment has been entered.

Subject to the provisions of the Credit Agreement, payments of both principal and interest shall be made without setoff, counterclaim, or other deduction of any nature at the office of the Agent located at 155 East Broad Street, Columbus, Ohio 43251-0034, unless otherwise directed in writing by the holder hereof, in lawful money of the United States of America in immediately available funds.

This Note is one of the Revolving Credit Notes referred to in, and is entitled to the benefits of, the Credit Agreement and other Loan Documents, including the representations, warranties, covenants, and conditions contained or granted therein. The Credit Agreement among other things contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayment, in certain circumstances, on account of principal hereof prior to maturity upon the terms and conditions therein specified. The Borrower waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note and the Credit Agreement.

This Note shall bind the Borrower and its successors and assigns, and the benefits hereof shall inure to the benefit of the Bank and its successors and assigns. All references herein to the "Borrower"

and the "Bank" shall be deemed to apply to the Borrower and the Bank, respectively, and their respective successors and assigns as permitted under the Credit Agreement.

This Note and any other documents delivered in connection herewith and the rights and obligations of the parties hereto and thereto shall for all purposes be governed by and construed and enforced in accordance with the internal laws of the State of Ohio without giving effect to its conflicts of law principles.

All capitalized terms used herein shall, unless otherwise defined herein, have the same meanings given to such terms in the Credit Agreement.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE 1 OF 1 TO REVOLVING CREDIT NOTE]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the undersigned has executed this Note by its duly authorized officer with the intention that it constitute a sealed instrument.

CONSOLIDATED STORES CORPORATION

By: \_\_\_\_\_ (SEAL)

Name:

Title:

## EXHIBIT 1.1(S)

FORM OF  
SWING LOAN NOTE

\$30,000,000

Columbus, Ohio  
May \_\_, 2001

FOR VALUE RECEIVED, the undersigned, CONSOLIDATED STORES CORPORATION, an Ohio corporation (herein called the "Borrower"), hereby unconditionally promises to pay to the order of NATIONAL CITY BANK (the "Bank"), the lesser of (i) the principal sum of THIRTY MILLION DOLLARS (US\$30,000,000), or (ii) the aggregate unpaid principal balance of all Swing Loans made by the Bank to the Borrower pursuant to Section 2.6.2 of the Credit Agreement, dated as of May 8, 2001, among the Borrower, the Guarantors now or hereafter party thereto, the Banks now or hereafter party thereto, and National City Bank, in its capacity as Administrative Agent for the Banks (hereinafter referred to in such capacity as the "Agent"), the Lead Arranger and as a Managing Agent, Fleet National Bank, in its capacity as the Syndication Agent and as a Managing Agent, First Union National Bank and PNC Bank, National Association, in their capacity as Documentation Agents and Managing Agents, and Bank Of America, N.A., The Bank Of New York, and Firstar Bank, N.A., in their capacity as Managing Agents (as amended, restated, supplemented, or modified from time to time, the "Credit Agreement"), payable with respect to each Swing Loan evidenced hereby on the earlier of (i) demand by the Bank or (ii) by 12:00 noon (Columbus time) on the Revolving Credit Expiration Date, or at such other time specified in the Credit Agreement.

The Borrower shall pay interest on the unpaid principal balance of each Swing Loan from time to time outstanding hereunder from the date hereof at the rate per annum and on the date(s) provided in the Credit Agreement. Upon the occurrence and during the continuation of an Event of Default, the Borrower shall pay interest on the entire principal amount of the then outstanding Swing Loans evidenced by this Note at a rate per annum as set forth in Section 3.3 of the Credit Agreement. Such interest rate will accrue before and after any judgment has been entered.

Subject to the provisions of the Credit Agreement, payments of both principal and interest shall be made without setoff, counterclaim or other deduction of any nature at the office of the Agent located at 155 East Broad Street, Columbus, Ohio 43251-0034, unless otherwise directed in writing by the holder hereof, in lawful money of the United States of America in immediately available funds.

This Note is the Swing Loan Note referred to in, and is entitled to the benefits of, the Credit Agreement and other Loan Documents, including the representations, warranties, covenants or conditions contained or granted therein. The Credit Agreement among other things contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayment, in certain circumstances, on demand or otherwise, on account of principal hereof prior to maturity upon the terms and conditions therein specified. All capitalized terms used herein shall, unless otherwise defined herein, have the same meanings given to such terms in the Credit Agreement. The Borrower waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note and the Credit Agreement.

This Note shall bind the Borrower and its successors and assigns, and the benefits hereof shall inure to the benefit of the Bank and its successors and assigns. All references herein to the "Borrower" and the "Bank" shall be deemed to apply to the Borrower and the Bank, respectively, and their respective successors and assigns.

This Note and any other documents delivered in connection herewith and the rights and obligations of the parties hereto and thereto shall for all purposes be governed by and construed and enforced in accordance with the internal laws of the State of Ohio without giving effect to its conflict of laws principles.

The Borrower acknowledges and agrees that a telecopy transmission to Agent or any Bank of signature pages hereof purporting to be signed on behalf of Borrower shall constitute effective and binding execution and delivery hereof by Borrower.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SWING NOTE]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the undersigned has executed this Note by its duly authorized officer with the intention that it constitute a sealed instrument.

CONSOLIDATED STORES CORPORATION

By: \_\_\_\_\_ (SEAL)

Name:

Title:

## EXHIBIT 1.1(T)

FORM OF  
364-DAY LOAN NOTE

\$ \_\_\_\_\_

Columbus, Ohio  
May \_\_\_, 2001

FOR VALUE RECEIVED, the undersigned, CONSOLIDATED STORES CORPORATION, an Ohio corporation (herein called the "Borrower"), hereby promises to pay to the order of \_\_\_\_\_ (the "Bank"), the lesser of (i) the principal sum of \_\_\_\_\_ (US\$ \_\_\_\_\_), or (ii) the aggregate unpaid principal balance of all 364-Day Loans made by the Bank to the Borrower pursuant to the Credit Agreement, dated as of even date herewith, among the Borrower, the Guarantors now or hereafter party thereto, the Banks now or hereafter party thereto, and National City Bank, in its capacity as Administrative Agent (hereinafter referred to in such capacity as the "Agent") for the Banks, the Lead Arranger and as a Managing Agent, Fleet National Bank, in its capacity as the Syndication Agent and as a Managing Agent, First Union National Bank and PNC Bank, National Association, in their capacity as Documentation Agents and Managing Agents, and Bank Of America, N.A., The Bank Of New York, and Firstar Bank, N.A., in their capacity as Managing Agents (as amended, restated, modified, or supplemented from time to time, the "Credit Agreement"), payable by 12:00 noon (Columbus time) on the 364-Day Loan Expiration Date, together with interest on the unpaid principal balance hereof from time to time outstanding from the date hereof at the rate or rates per annum specified by the Borrower pursuant to, or as otherwise provided in, the Credit Agreement.

Interest on the unpaid principal balance hereof from time to time outstanding from the date hereof will be payable at the times provided for in the Credit Agreement. Upon the occurrence and during the continuation of an Event of Default, the Borrower shall pay interest on the entire principal amount of the then outstanding 364-Day Loans evidenced by this 364-Day Note and all other obligations due and payable to the Bank pursuant to the Credit Agreement and the other Loan Documents at a rate per annum as set forth in Section 3.3 of the Credit Agreement. Such interest rate will accrue before and after any judgment has been entered.

Subject to the provisions of the Credit Agreement, payments of both principal and interest shall be made without setoff, counterclaim, or other deduction of any nature at the office of the Agent located at 155 East Broad Street, Columbus, Ohio 43251-0034, unless otherwise directed in writing by the holder hereof, in lawful money of the United States of America in immediately available funds.

This Note is one of the 364-Day Loan Notes referred to in, and is entitled to the benefits of, the Credit Agreement and other Loan Documents, including the representations, warranties, covenants, and conditions contained or granted therein. The Credit Agreement among other things contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayment, in certain circumstances, on account of principal hereof prior to maturity upon the terms and conditions therein specified. The Borrower waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note and the Credit Agreement.

This Note shall bind the Borrower and its successors and assigns, and the benefits hereof shall inure to the benefit of the Bank and its successors and assigns. All references herein to the "Borrower"

and the "Bank" shall be deemed to apply to the Borrower and the Bank, respectively, and their respective successors and assigns as permitted under the Credit Agreement.

This Note and any other documents delivered in connection herewith and the rights and obligations of the parties hereto and thereto shall for all purposes be governed by and construed and enforced in accordance with the internal laws of the State of Ohio without giving effect to its conflicts of law principles.

All capitalized terms used herein shall, unless otherwise defined herein, have the same meanings given to such terms in the Credit Agreement.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE 1 OF 1 TO 364-DAY LOAN NOTE]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the undersigned has executed this Note by its duly authorized officer with the intention that it constitute a sealed instrument.

CONSOLIDATED STORES CORPORATION

By: \_\_\_\_\_ (SEAL)

Name:

Title:

## EXHIBIT 2.5.1

## LOAN REQUEST

TO: National City Bank (the "Administrative Agent")  
 Telephone No.: 614-463-7296  
 Telecopier No.: 614-463-8572  
 Attn: Ralph A. Kaparos

FROM: Consolidated Stores Corporation

RE: Credit Agreement (the "Agreement") dated as of May 8, 2001 by and among Consolidated Stores Corporation, an Ohio corporation (the "Borrower"), the Guarantors now or hereafter party thereto, the Banks now or hereafter party thereto, and National City Bank, in its capacity as Administrative Agent for the Banks, the Lead Arranger and as a Managing Agent, Fleet National Bank, in its capacity as the Syndication Agent and as a Managing Agent, First Union National Bank and PNC Bank, National Association, in their capacity as Documentation Agents and Managing Agents, and Bank Of America, N.A., The Bank Of New York, and Firststar Bank, N.A., in their capacity as Managing Agents, as amended, restated, supplemented or modified from time to time

Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them by the Agreement.

- A. Pursuant to Section 2.5.1 of the Agreement, the undersigned Borrower irrevocably requests [check as appropriate]:

1(a) \_\_\_\_\_ A new Revolving Credit Loan pursuant to Section 2.5.1, OR

\_\_\_\_\_ A new 364-Day Loan pursuant to Section 2.5.1, OR

\_\_\_\_\_ A renewal of the Euro-Rate Option with respect to an outstanding Borrowing Tranche of Revolving Credit Loans, OR

\_\_\_\_\_ A renewal of the Euro-Rate Option with respect to an outstanding Borrowing Tranche of 364-Day Loans, OR

\_\_\_\_\_ A conversion of an outstanding Borrowing Tranche of Revolving Credit Loans currently under the Alternate Base Rate Option, OR

\_\_\_\_\_ A conversion of an outstanding Borrowing Tranche of 364-Day Loans currently under the Alternate Base Rate Option, OR

\_\_\_\_\_ A conversion of an outstanding Borrowing Tranche of Revolving Credit Loans currently under the Euro-Rate Option, OR

\_\_\_\_\_ A conversion of an outstanding Borrowing Tranche of  
364-Day Loans currently under the Euro-Rate Option,

TO OR IN THE FORM OF:

1(b)(i) \_\_\_\_\_ Revolving Credit Alternate Base Rate Option Loans having  
a Borrowing Date of \_\_\_\_\_, 200\_\_ (which date may  
(i) be one (1) Business Day after the Business Day of  
receipt by Administrative Agent by 2:00 p.m. (Columbus,  
Ohio time) of this Loan Request, and (ii) occur on the  
last day of the Interest Period for any Revolving Credit  
Euro-Rate Option Loans, if any, hereby converted into  
Revolving Credit Alternate Base Rate Option Loans)

OR

(ii) \_\_\_\_\_ 364-Day Loan Alternate Base Rate Option Loans having a  
Borrowing Date of \_\_\_\_\_, 200\_\_ (which date may (i)  
be one (1) Business Day after the Business Day of receipt  
by Administrative Agent by 2:00 p.m. (Columbus, Ohio  
time) of this Loan Request, and (ii) occur on the last  
day of the Interest Period for any 364-Day Loan Euro-Rate  
Option Loans, if any, hereby converted into 364-Day Loan  
Alternate Base Rate Option Loans)

OR

(iii) \_\_\_\_\_ Revolving Credit Euro-Rate Option Loans of one (1)  
Borrowing Tranche having a Borrowing Date of  
\_\_\_\_\_, 200\_\_ (which date shall (i) be  
three (3) Business Days after the Business Day of receipt  
by the Administrative Agent by 2:00 p.m. (Columbus, Ohio  
time) of this Loan Request, and (ii) occur on the last  
day of the Interest Period for any Revolving Credit  
Euro-Rate Option Loans, if any, hereby renewed as  
Revolving Credit Euro-Rate Option Loans)

OR

(iv) \_\_\_\_\_ 364-Day Loan Euro-Rate Option Loans of one (1) Borrowing  
Tranche having a Borrowing Date of \_\_\_\_\_,  
200\_\_ (which date shall (i) be three (3) Business Days  
after the Business Day of receipt by the Administrative  
Agent by 2:00 p.m. (Columbus, Ohio time) of this Loan  
Request, and (ii) occur on the last day of the Interest  
Period for any 364-Day Loan Euro-Rate

Option Loans, if any, hereby renewed as 364-Day Loan  
Euro-Rate Option Loans)

2. In the principal amount of US\$\_\_\_\_\_ (such amount shall be integral multiples of \$1,000,000 and not less than \$5,000,000 for each Borrowing Tranche to which the Euro-Rate Option applies and not less than the lesser of \$5,000,000 or remaining availability for Borrowing Tranches to which the Alternate Base Rate Option applies).
3. \_\_\_\_\_ For an Interest Period for Euro-Rate Option Loans of \_\_\_\_\_.  
[one, two, three or six months]
- B. As of the date hereof and the date of making of the above-requested Revolving Credit or 364-Day Loans (and after giving effect thereto): all of the Loan Parties' representations and warranties contained in Section 5 of the Credit Agreement and in the other Loan Documents are true and correct (except representations and warranties which expressly relate solely to an earlier date or time, which representations and warranties shall be true and correct on and as of the specific dates or times referred to therein); the Loan Parties have performed and complied with all covenants and conditions of the Credit Agreement and other Loan Documents; no Event of Default or Potential Default has occurred and is continuing or exists; and the making of such Revolving Credit or 364-Day Loans does not contravene any Law applicable to any of the Loan Parties.

The undersigned certifies to the Administrative Agent for the benefit of the Banks the accuracy of the foregoing.

CONSOLIDATED STORES CORPORATION

Date: \_\_\_\_\_, 200      By: \_\_\_\_\_ (SEAL)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT 2.5.2

## SWING LOAN REQUEST

TO: National City Bank, as Swing Lender Telephone No.: 614-463-7296  
 Telecopier No. 614-463-8572 Attn: Ralph A. Kaparos FROM: Consolidated  
 Stores Corporation

RE: Credit Agreement (the "Agreement") dated as of May 8, 2001 by and among Consolidated Stores Corporation, an Ohio corporation (the "Borrower"), the Guarantors now or hereafter party thereto, the Banks now or hereafter party thereto, and National City Bank, in its capacity as Administrative Agent for the Banks, the Lead Arranger and as a Managing Agent, Fleet National Bank, in its capacity as the Syndication Agent and as a Managing Agent, First Union National Bank and PNC Bank, National Association, in their capacity as Documentation Agents and Managing Agents, and Bank Of America, N.A., , The Bank Of New York, and Firststar Bank, N.A., in their capacity as Managing Agents, as amended, restated, supplemented or modified from time to time

Capitalized terms used but not defined herein shall have the meanings given to them in the Agreement.

Pursuant to Section 2.5.2 of the Agreement, the undersigned hereby makes the following Swing Loan Request:

1. Aggregate Principal Amount of Swing Loans: [amount shall be in integral multiples of \$100,000 and not less than \$100,000] US\$ \_\_\_\_\_
2. Proposed Borrowing Date: [this Swing Loan Request must be received by the Swing Lender by 12:00 noon Columbus, Ohio time on the proposed Borrowing Date]

-----

3. As of the date hereof and the date of making of the Swing Loan requested hereby: the representations and warranties of the Loan Parties contained in Section 5 of the Agreement and in the other Loan Documents are and will be true (except representations and warranties that expressly relate solely to an earlier date or time, which representations and warranties were true on and as of the specific dates or times referred to therein); the Loan Parties

have performed and complied with all covenants and conditions of the Agreement; no Event of Default or Potential Default has occurred and is continuing or shall exist; and the making of the Swing Loan requested hereby shall not contravene any Law applicable to any of the Loan Parties.

The undersigned hereby certifies the accuracy of the foregoing.

CONSOLIDATED STORES CORPORATION

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT 6.1.5 - OPINION OF COUNSEL

[Consolidated Stores Corporation Letterhead]

May 8, 2001

Each of the Banks party  
to the Credit Agreement referred to below

National City Bank,  
as Administrative Agent  
for said Banks  
155 East Broad Street  
Columbus, Ohio 43251

Ladies and Gentlemen:

I am the general counsel of Consolidated Stores Corporation, a Delaware corporation (the "Parent"), Consolidated Stores Corporation, an Ohio corporation (the "COMPANY"), and each of the other Guarantors (as defined in the Credit Agreement, as hereafter defined), and I am familiar with the transactions contemplated by the Credit Agreement, dated as of May 8, 2001 (the "CREDIT AGREEMENT"), among the Company, the Parent, the other Guarantors party thereto, the Banks party thereto, National City Bank, in its capacity as Administrative Agent, Lead Arranger and a Managing Agent, Fleet National Bank, in its capacity as Syndication Agent and a Managing Agent, PNC Bank, National Association and First Union National Bank, in their capacities as Documentation Agents and Managing Agents, and Bank of America, N.A., The Bank of New York and Firststar Bank, N.A., in their capacities as other Managing Agents. This opinion is furnished to you pursuant to Section 6.1.5 of the Credit Agreement. Capitalized terms used in this opinion that are defined in the Credit Agreement have the meanings set forth in the Credit Agreement, unless otherwise defined herein.

In connection with this opinion, I have examined originals or certified, conformed or reproduction copies of, and in the case of item (vi), have relied upon the accuracy of, without independent verification or investigation, the following:

- (i) the Credit Agreement;
- (ii) the Notes;
- (iii) the Guaranty Agreement;
- (iv) the Intercompany Subordination Agreement;

- (v) the Note Purchase Agreement, dated as of May 1, 2001, by the Parent and the Company in favor of the Purchasers identified therein (the "NOTE PURCHASE AGREEMENT")
- (vi) certificates from the Secretaries of State of the states in which each of the Company, the Parent and each other Guarantor is incorporated or, in the case of Guarantors that are limited liability companies, formed, dated as of the date stated on Schedule I hereto, with respect to the good standing or full force and effect, as applicable, of the Company, the Parent and each such other Guarantor;
- (vii) the Certificate or Articles of Incorporation, or Certificate of Formation or Articles of Organization, as applicable, for each of the Company, the Parent and each other Guarantor, certified by the Secretary of State of the state in which each such entity is incorporated or formed, as applicable, dated as of the date stated on Schedule II hereto;
- (viii) the bylaws, code of regulations, limited liability company agreement or operating agreement, as applicable, of each of the Company, the Parent and each other Guarantor; and
- (ix) the actions of the directors or members, as applicable, of each of the Company, the Parent and each other Guarantor with respect to the Loan Documents (as hereafter defined) and the transactions contemplated thereby.

The documents referenced in clauses (i) through (iv) of this paragraph are sometimes referred to herein as the "LOAN DOCUMENTS". The Company, the Parent and the other Guarantors are sometimes referred to herein as the "LOAN PARTIES."

I have also examined the originals or certified, conformed or reproduction copies of, and have relied upon the accuracy of, without independent verification or investigation, such other records, agreements, instruments and documents as I have deemed necessary or relevant as the basis for my opinion.

In such examinations, I have assumed (i) the genuineness of all signatures, the conformity to original documents of all documents submitted to me as copies and the authenticity of such originals of such latter documents; (ii) the due completion, execution, and acknowledgment as indicated thereon by all parties thereto except for the Loan Parties, and delivery of all documents and instruments and of the consideration recited therein; (iii) that each of the parties, other than the Loan Parties, to the Loan Documents to which it is a party has the full power, authority and legal right under its charter and other governing documents, corporate legislation,

and applicable laws and regulations to execute and perform its obligations under all documents executed by it in connection with the transactions which are the subject of the Loan Documents; and (iv) that, except to the extent set forth in the opinions expressed below as to the Loan Parties, when duly authorized, executed and delivered, each of the Loan Documents will constitute the legal, valid and binding obligation of each of the parties party thereto enforceable against such party in accordance with its terms.

I have made no examination of the character, organization, activities or authority of any party, other than the Loan Parties, to any of the Loan Documents which might have any effect upon my opinions expressed herein, and I have neither examined, nor do I opine upon, any provision or matter to the extent that the examination or opinion would require a financial, mathematical or accounting calculation or determination.

Based upon and subject to the foregoing and the further qualifications and limitations set forth below, as of the date hereof (or as of the date of any assumption made herein or any certificate, schedule, exhibit or inquiry stated to have been examined, made, or otherwise relied upon by me), I am of the opinion that:

1. Each of the Loan Parties is a corporation duly incorporated, validly existing and in good standing or, in the case of each Guarantor that is a limited liability company, a limited liability company duly formed, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation, as appropriate, and each Loan Party has all requisite corporate or limited liability company, as appropriate, power and authority to own and operate its properties, to carry on its business as now conducted.

2. Each Loan Party has full corporate or limited liability company, as applicable, power to enter into, execute, deliver and perform the Loan Documents to which each is a party, and all such actions have been duly authorized by all necessary corporate or limited liability company, as applicable, action on its part.

3. Each of the Loan Parties has duly executed and delivered each of the Transaction Documents to which it is a party.

4. Neither the execution and delivery of the Loan Documents by any Loan Party nor the consummation of the transactions therein contemplated or compliance with the terms and provisions thereof by any of them will conflict with, constitute a default under or result in any breach of (a) the terms and conditions of the articles or certificate of incorporation, bylaws, code of regulations, certificate of formation, limited liability company agreement or other organizational documents of any Loan Party or (b) to my knowledge, any material agreement or instrument, including without limitation the Note Purchase Agreement or order, writ, judgment, injunction or decree to which any Loan Party or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or to which it is subject, or result in the creation

or enforcement of any Lien, charge or encumbrance whatsoever upon any property (now or hereafter acquired) of any Loan Party or any of its Subsidiaries.

4. There are no actions, suits, proceedings or investigations pending or, to my knowledge, threatened, against any Loan Party or any Subsidiary of a Loan Party at law or equity before any Official Body which individually or in the aggregate would reasonably be expected to result in any material Adverse Change. To my knowledge, none of the Loan Parties or any Subsidiaries of any Loan Party is in violation of any order, writ, injunction, or any decree of any official Body which would reasonably be expected to result in any Material Adverse Change.

5. No consent, approval, exemption, order or authorization of, or registration or filing with, any Official Body or any other Person is required in connection with the execution, delivery and performance of the Loan Documents by any Loan Party thereto.

All of the opinions expressed above are subject to the limitations, if any, of Title 11 U.S.C., as amended, and of the applicable insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally and by principles of equity. In addition, certain remedial and other provisions of the Loan Documents may be limited by (i) implied covenants of good faith, fair dealing and commercially reasonable conduct and (ii) judicial discretion, in the instance of multiple or equitable remedies.

Whenever my opinion with respect to the existence or absence of facts is indicated to be based on my knowledge, I am referring to my actual knowledge. Further, I have relied solely upon the examinations and inquiries recited herein and, except for the examinations and inquiries recited herein, have not undertaken any independent investigation to determine the existence or absence of any facts, and no inference as to my knowledge concerning such facts should be drawn.

The opinions expressed herein are limited to the laws of the State of Ohio, the Delaware General Corporation Law and the federal laws of the United States of America having effect on the date hereof, and I express no opinion as to the laws of any other jurisdiction. The opinions expressed herein are furnished specifically in connection with the execution and delivery of the Loan Documents for the benefit of the Banks and the Administrative Agent and may not be relied upon, assigned, quoted or otherwise used in any manner or for any purpose by any other person or entity, without my specific prior written consent, except that I consent to reliance on this opinion by your participants and assigns in the ordinary course, with and limited by those participants' and assigns' understanding and agreement that (a) this opinion speaks only

as of its effective date, (b) opinion and examination standards may change, (c) such reliance will not require of me any update, reissue or reaffirmation of this opinion, and (d) I will have made no examination of law or of factual matters in connection with such reliance.

Very truly yours,

/s/ Charles W. Haubiel II

Charles W. Haubiel II, Esq.  
General Counsel

## SCHEDULE I

-----

Company -----	State of Incorporation or Formation -----	Date of Good Standing Certificate -----
Consolidated Stores Corporation	Delaware	May 1, 2001
Consolidated Stores Corporation	Ohio	April 19, 2001
Mac Frugal's Bargainso Close-outs Inc.	Delaware	May 1, 2001
TR0, Inc.	Illinois	April 23, 2001
Capital Retail Systems, Inc.	Ohio	April 19, 2001
PNS Stores, Inc.	California	April 19, 2001
West Coast Liquidators, Inc.	California	April 19, 2001
C.S. Ross Company	Ohio	April 19, 2001
CSC Distribution, Inc.	Alabama	April 19, 2001
Closeout Distribution, Inc.	Pennsylvania	April 18, 2001
Industrial Products of New England, Inc.	Maine	April 19, 2001
Tool and Supply Company of New England, Inc.	Delaware	May 1, 2001
Midwestern Home Products, Inc.	Delaware	May 1, 2001
Consolidated Property Holdings, Inc.	Nevada	April 19, 2001
Great Basin LLC	Delaware	May 1, 2001
Sonoran LLC	Delaware	May 1, 2001
Sahara LLC	Delaware	May 1, 2001
Midwestern Home Products Company, Ltd.	Ohio	April 19, 2001

## SCHEDULE II

-----

Company - - - - -	State of Incorporation or Formation -----	Date of Certified Certificate or Articles of Incorporation or Certificate of Formation or Articles of Incorporation -----
Consolidated Stores Corporation	Delaware	April 20, 2001
Consolidated Stores Corporation	Ohio	April 23, 2001
Mac Frugal's Bargainso Close-outs Inc.	Delaware	April 20, 2001
TR0, Inc.	Illinois	April 23, 2001
Capital Retail Systems, Inc.	Ohio	April 23, 2001
PNS Stores, Inc.	California	April 23, 2001
West Coast Liquidators, Inc.	California	April 23, 2001
C.S. Ross Company	Ohio	April 23, 2001
CSC Distribution, Inc.	Alabama	April 24, 2001
Closeout Distribution, Inc.	Pennsylvania	April 19, 2001
Industrial Products of New England, Inc.	Maine	April 20, 2001
Tool and Supply Company of New England, Inc.	Delaware	April 20, 2001
Midwestern Home Products, Inc.	Delaware	April 20, 2001
Consolidated Property Holdings, Inc.	Nevada	April 19, 2001
Great Basin LLC	Delaware	April 20, 2001
Sonoran LLC	Delaware	April 20, 2001
Sahara LLC	Delaware	April 20, 2001
Midwestern Home Products Company, Ltd.	Ohio	April 20, 2001

## EXHIBIT 6.1.5 - OPINION OF COUNSEL

[Vorys, Sater, Seymour and Pease LLP Letterhead]

May 8, 2001

Each of the Banks party  
to the Credit Agreement referred to below

National City Bank,  
as Administrative Agent  
for said Banks  
155 East Broad Street  
Columbus, Ohio 43251

Ladies and Gentlemen:

We have acted as special counsel to Consolidated Stores Corporation, a Delaware corporation (the "PARENT"), Consolidated Stores Corporation, an Ohio corporation (the "COMPANY"), and each of the other Guarantors (as defined in the Credit Agreement, as hereafter defined), and we are familiar with the transactions contemplated by the Credit Agreement, dated as of May 8, 2001 (the "CREDIT AGREEMENT"), among the Company, the Parent, the other Guarantors party thereto, the Banks party thereto, National City Bank, in its capacity as Administrative Agent, Lead Arranger and a Managing Agent, Fleet National Bank, in its capacity as Syndication Agent and a Managing Agent, PNC Bank, National Association and First Union National Bank, in their capacities as Documentation Agents and Managing Agents, and Bank of America, N.A., The Bank of New York and Firstar Bank, N.A., in their capacities as other Managing Agents. This opinion is furnished to you pursuant to Section 6.1.5 of the Credit Agreement. Capitalized terms used in this opinion that are defined in the Credit Agreement have the meanings set forth in the Credit Agreement, unless otherwise defined herein.

In connection with this opinion, we have examined originals or certified, conformed or reproduction copies of, and, in the case of item (v), have relied upon the accuracy of, without independent verification or investigation, the following:

- (i) the Credit Agreement;
- (ii) the Notes;
- (iii) the Guaranty Agreement;

- (iv) the Intercompany Subordination Agreement; and
- (v) a representation and warranty certificate of certain of the officers of the Parent and the Company as to certain factual matters regarding the Parent, the Company and the Subsidiary Guarantors (the "Officers' Certificate"), a copy of which is attached hereto as Exhibit A.

The documents referenced in clauses (i) through (iv) of this paragraph are sometimes referred to herein as the "LOAN DOCUMENTS". The Company, the Parent and the other Guarantors are sometimes referred to herein as the "LOAN PARTIES."

We have also examined the originals or certified, conformed or reproduction copies of, and have relied upon the accuracy of, without independent verification or investigation, such other records, agreements, instruments and documents as we have deemed necessary or relevant as the basis for our opinion.

In such examinations, we have assumed (i) the genuineness of all signatures, the conformity to original documents of all documents submitted to us as copies and the authenticity of such originals of such latter documents; (ii) the due completion, execution, and acknowledgment as indicated thereon, and delivery of all documents and instruments and of the consideration recited therein; (iii) that each of the parties to the Loan Documents has the full power, authority and legal right under its charter and other governing documents, corporate legislation, and applicable laws and regulations to execute and perform its obligations under all Loan Documents to which it is a party; and (iv) that when duly authorized, executed and delivered, each of the Loan Documents will constitute the legal, valid and binding obligation of each party thereto other than the Loan Parties, enforceable against each such party in accordance with its terms.

We have made no examination of the character, organization, activities or authority of any party, other than the Loan Parties, to any of the Loan Documents which might have any effect upon our opinions expressed herein, and we have neither examined, nor do we opine upon, any provision or matter to the extent that the examination or opinion would require a financial, mathematical or accounting calculation or determination.

Based upon and subject to the foregoing and the further qualifications and limitations set forth below, as of the date hereof, we are of the opinion that:

1. Each of the Loan Documents to which each Loan Party is a party is the legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms.
2. The execution, delivery and performance of the Loan Documents by each of the Loan Parties which are parties thereto will not conflict with, or result in any violation of,

any law applicable to corporations for profit generally in the State of Ohio, the federal laws of the United States of America or the Delaware General Corporation law.

3. None of the Loan Parties is an "investment company" or a company "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

The opinions expressed above are subject to the following additional qualifications:

All of our opinions are subject to the limitations, if any, of Title 11 U.S.C., as amended, and of the applicable insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally and by principles of equity. In addition, certain remedial and other provisions of the Loan Documents may be limited by (i) implied covenants of good faith, fair dealing and commercially reasonable conduct and (ii) judicial discretion, in the instance of multiple or equitable remedies.

We have not conducted requisite factual or legal examinations, and accordingly we express no opinion, with respect to the application, if any, of laws concerning or promulgated by (a) environmental effects or agencies; (b) except for our opinion in numbered paragraph 3 hereof, industries the operations, financial affairs or profits of which are regulated by the United States or the State of Ohio, to wit, banks and thrift institutions, insurance and utilities under Title 49 of the Revised Code of Ohio ("R.C."); (c) fraudulent dispositions or obligations (Chapter 1336, R.C. and Section 1313.56, R.C.); (d) securities laws; (e) restrictions attendant to financings of property by public authorities, for example, industrial revenue bond financings; (f) political subdivisions of the State of Ohio; (g) any order of any court or other authority directed specifically to any party to the Loan Documents of which we do not have actual knowledge; or (h) any taxes or tax effects.

In addition, we express no opinion as to the enforceability of rights, provisions or interests to the extent, if any, dependent upon the enforceability of (a) waivers of rights of debtors or others which may not be waived or which may be waived only under certain circumstances under applicable law; (b) provisions of the Loan Documents to the extent held to (i) require the payment of interest on interest, (ii) compensate any party for loss or expense in excess of actual loss or reasonable expenses or constitute a penalty, or (iii) require reimbursement for or indemnity against actions by the Administrative Agent or any Bank taken in violation of applicable law or public policy; (c) any provision for the award of attorneys' fees to an opposing party; (d) provisions which purport to choose venue and jurisdiction; (e) provisions which purport to waive jury trial; (f) provisions which purport to effect the alteration or termination of rights currently held by third parties; (g) provisions which purport to establish evidentiary standards; (h) disclaimers of liability, or liability limitations, with respect to third parties; (i) releases of legal or equitable rights; (j) provisions which purport to authorize execution of various documents on behalf of another; or (k) any remedies for (1) immaterial

Page 4

breaches or (2) material breaches which are the proximate result of actions taken by the Administrative Agent or the Banks or their respective agents, which actions none of them is entitled to take pursuant to the relevant agreements or instruments or applicable law or which otherwise violate applicable laws.

The opinions expressed herein are limited to the laws of the State of Ohio, the Delaware General Corporation Law and the federal laws of the United States of America having effect on the date hereof, and we express no opinion as to the laws of any other jurisdiction. The opinions expressed herein are furnished specifically in connection with the execution and delivery of the Loan Documents for the benefit of the Banks and the Administrative Agent and may not be relied upon, assigned, quoted or otherwise used in any manner or for any purpose by any other person or entity, without our specific prior written consent, except that we consent to reliance on this opinion by your participants and assigns in the ordinary course, with and limited by those participants' and assigns' understanding and agreement that (a) this opinion speaks only as of its effective date, (b) opinion and examination standards may change, (c) such reliance will not require of us any update, reissue or reaffirmation of this opinion, and (d) we will have made no examination of law or of factual matters in connection with such reliance.

Very truly yours,

EXHIBIT A

Officers' Certificate

## EXHIBIT 7.3.3

FORM OF  
COMPLIANCE CERTIFICATE

National City Bank, as Administrative Agent

Telephone No.: 614-463-7296  
Telecopier No.: 614-463-8572  
Attn: Ralph A. Kaparos

Ladies and Gentlemen:

Pursuant to Section 7.3.3 of the Credit Agreement (the "Agreement") dated as of May 8, 2001, by and among Consolidated Stores Corporation, an Ohio corporation (the "Borrower"), the Guarantors party thereto, the Banks party thereto, and National City Bank, in its capacity as Administrative Agent ("Administrative Agent") for the Banks, the Lead Arranger (the "Lead Arranger") and as a Managing Agent, Fleet National Bank, in its capacity as the Syndication Agent (the "Syndication Agent") and as a Managing Agent, PNC Bank, National Association and First Union National Bank, each in its capacity as Documentation Agent (each, a "Documentation Agent") and as Managing Agents, and Bank of America, N.A., The Bank Of New York, and Firststar Bank, N.A. in their capacity as Managing Agents (collectively the "Managing Agents") (the Administrative Agent, Syndication Agent, Documentation Agents, and the Managing Agents collectively referred to herein as the "Agents"). I do hereby certify to the Banks and the foregoing Agents as follows (capitalized terms which are not defined herein have the meanings given in the Agreement) as of the [quarter/year] ending on \_\_\_\_\_ (the "Report Date"):

1. The representations and warranties of the Loan Parties contained in Section 5 of the Agreement and in the other Loan Documents are true on and as of the Report Date with the same effect as though such representations and warranties had been made on and as of such date (except representations and warranties which expressly related solely to an earlier date or time which representations and warranties were true on and as of the specific date or time referred to therein), and the Loan Parties have performed and complied with all covenants and conditions of the Agreement.
2. No Event of Default or Potential Default exists and is continuing.
3. CAPITAL EXPENDITURES AND LEASES (Section 7.2.18). The aggregate amount of payments made by the Loan Parties and their Subsidiaries in the fiscal year ending as of the Report Date on account of the purchase or lease of any assets which if purchased would constitute fixed assets or which if leased would constitute capitalized leases is \_\_\_\_\_ (from Item (A) (iii) below), which does not exceed \_\_\_\_\_ (from Table I below).

- (A) The aggregate amount of capital expenditures and capitalized leases for the Borrower and its Subsidiaries for the fiscal year ending as of the Report Date equals \$\_\_\_\_\_ (from Item (A) (iii) below), calculated as follows:

(i) capital expenditures for fixed assets	\$_____
(ii) capitalized leases	\$_____
(iii) sum of Items (i) and (ii)	\$_____

-----  
TABLE I  
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FISCAL YEAR ENDING (NEAREST) -----	MAXIMUM AMOUNT OF CAPITAL EXPENDITURES(1) -----
January 31, 2002	\$125,000,000
January 31, 2003	\$150,000,000
January 31, 2004	\$125,000,000

-----

4. MINIMUM FIXED CHARGE COVERAGE RATIO (Section 7.2.19). The Fixed Charge Coverage Ratio, calculated as of the end of the fiscal quarter ending as of the Report Date for the four fiscal quarters then ended, is \_\_\_\_ (from Item (C) below) to 1.0, which is not less than the minimum Fixed Charge Coverage Ratio of \_\_\_\_ (from Table III below) to 1.0, calculated as follows:

- (A) Consolidated EBITDAR for the four (4) full consecutive fiscal quarters ending as of the Report Date, for the Company and its Subsidiaries determined on a consolidated basis in accordance with GAAP:

- (i) Consolidated Net Income calculated as follows:

(a) consolidated net income of the Company and  
its Subsidiaries \$ \_\_\_\_\_

(b) applicable Consolidated Income Adjustment  
from Table II below \$ \_\_\_\_\_

(c) sum of items (b) and (b) equals Consolidated  
Net Income \$ \_\_\_\_\_

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TABLE II  
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- (1) If the Loan Parties do not incur the Maximum Amount of Capital Expenditures in any fiscal year, the Maximum Amount of Capital Expenditures permitted in the following fiscal year (but not any fiscal year thereafter) shall be increased by difference between the Maximum Amount of Capital Expenditures and the actual amount expended for

QUARTER ENDING ON OR ABOUT DATE SPECIFIED BELOW	ADJUSTMENT
April 30, 2000	\$27,501,000
July 31, 2000	\$71,956,000
October 31, 2000	\$406,588,000
January 31, 2001	(\$27,069,000)

(ii) depreciation \$ \_\_\_\_\_

(iii) amortization \$ \_\_\_\_\_

(iv) other non-cash charges to net income (without duplication of the Consolidated Income Adjustment) \$ \_\_\_\_\_

(v) interest expense \$ \_\_\_\_\_

(vi) income tax expense \$ \_\_\_\_\_

(vii) Consolidated Rental Expense for the four (4) fiscal Quarters ending as of the Report Date, equals the aggregate rental amounts payable by the Company and its Subsidiaries under any lease of real property having a remaining term (including any required renewals or any renewals at the option of the lessor or lessee) of one year or more (but does not include any amounts payable under capitalized leases or performance rents) determined in accordance with GAAP

\$ \_\_\_\_\_

(viii) sum of Items (i)(c) through (vii) \$ \_\_\_\_\_

(ix) non-cash credits to net income (without duplication of the Consolidated Income Adjustment) \$ \_\_\_\_\_

(x) Item (viii) less Item (ix) equals Consolidated EBITDAR, the numerator of the Fixed Charge Coverage Ratio \$ \_\_\_\_\_

(B) Fixed Charges for the four (4) fiscal quarters ending as of the Report Date:

(i) consolidated interest expense (from Item 4(A)(v) above) \$ \_\_\_\_\_

(ii) Consolidated Rental Expense (from Item 4(A)(vii) above) \$ \_\_\_\_\_

(iii) sum of items (i) and (ii) equals Fixed Charges, the denominator of the Fixed Charge Coverage Ratio \$ \_\_\_\_\_

(C) Fixed Charge Coverage Ratio equals the ratio of item 4(A)(x) to item 4(B)(iii) \_\_\_\_\_ to 1.0

TABLE III

FISCAL YEAR ENDING (NEAREST)	MINIMUM RATIO
July 31, 2001	1.9 to 1.0
October 31, 2001	1.9 to 1.0
January 31, 2002	1.9 to 1.0
April 30, 2002 and thereafter	2.0 to 1.0

5. MAXIMUM LEVERAGE RATIO (Section 7.2.20). The ratio of (A) Senior Funded Debt plus four (4) times Consolidated Rental Expense for the preceding four quarters, to (B) Consolidated EBITDAR for the preceding four quarters for the Loan Parties is \_\_\_\_\_ (from item (C) below) to 1.0, which does not exceed the permitted ratio of \_\_\_\_\_ (from Table IV below) to 1.0 for the fiscal quarter ended as of the Report Date.

The Leverage Ratio is calculated as follows:

(A) (i) Senior Funded Debt is calculated as follows:

- (a) indebtedness in respect of borrowed money \$ \_\_\_\_\_
- (b) amounts raised under or liabilities in respect of any note purchase or acceptance credit facility \$ \_\_\_\_\_
- (c) reimbursement obligations (contingent or otherwise) under any letter of credit, currency swap agreement, interest rate swap, cap, collar or floor agreement or other interest rate management device \$ \_\_\_\_\_
- (d) any other transaction (including forward sale or purchase agreements, capitalized leases (but not operating leases) and conditional sales agreements) having the commercial effect of a borrowing of money entered into to finance operations or capital requirements (but not including trade payables and accrued expenses incurred in the ordinary course of business which are not represented by a promissory note)

or other evidence of indebtedness and which  
are not more than thirty days past due) \$ \_\_\_\_\_

(e) any Guaranty of Indebtedness for borrowed money \$ \_\_\_\_\_

(f) sum of items (a) through (e) above \$ \_\_\_\_\_

(ii) four (4) times Consolidated Rental Expense (from Item 4(A)(vii))

(iii) the sum of items (i)(f) and (ii) equals the numerator of the Leverage  
Ratio \$ \_\_\_\_\_

(B) Consolidated EBITDAR (from Item 4(A)(x) above) equals the denominator of  
the Leverage Ratio \$ \_\_\_\_\_

(C) the ratio of item 5(A)(iii) to 5(B) equals the  
Leverage Ratio \_\_\_\_\_ to 1.0

TABLE IV

FISCAL QUARTER ENDING (NEAREST)	MAXIMUM RATIO
July 31, 2001	3.25 to 1.0
October 31, 2001	3.35 to 1.0
January 31, 2002	2.75 to 1.0
April 30, 2002	2.75 to 1.0
July 31, 2002	2.85 to 1.0
October 31, 2002	3.00 to 1.0
January 31, 2003	2.50 to 1.0
April 30, 2003	2.50 to 1.0
July 31, 2003	2.50 to 1.0
October 31, 2003	2.75 to 1.0
January 31, 2004 and thereafter	2.50 to 1.0

6. MINIMUM CONSOLIDATED NET WORTH (Section 7.2.21). Consolidated Net Worth is  
\$\_\_\_\_\_ (from item \_\_\_\_\_ 6(B)(i)  
below) as of the Report Date, which amount is not less than the "Minimum  
Permitted Amount" of \$\_\_\_\_\_ (from item 6(A)(iv) below) as of the  
Report Date.

(A) The Minimum Permitted Amount as of the Report Date is determined as follows:

(i)	\$ 800,000,000	-----
(ii) cumulative sum of Consolidated Net Income (but only if a positive number) for the period beginning April 1, 2001 through and including the Report Date	\$	-----
(iii) 50% of item (ii)	\$	-----
(iv) sum of items (i) and (iii) equals the Minimum Permitted Amount	\$	-----

(B) Consolidated Net Worth as of the Report Date is determined as follows:

(i) consolidated total stockholders' equity of the Company and its Subsidiaries	\$	-----
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[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE 1 OF 1 TO COMPLIANCE CERTIFICATE]

The undersigned hereby certifies to the Administrative Agent the accuracy of the foregoing.

CONSOLIDATED STORES CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

