

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	:	Chapter 11
	:	
WP Steel Venture LLC, <u>et al.</u> , <sup>1</sup>	:	Case No. 12-11661 (KJC)
	:	
	:	Jointly Administered
	:	
Debtors.	:	Re: Docket Nos. 93
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**ORDER: (I) APPROVING BIDDING PROCEDURES IN CONNECTION WITH SALE(S) OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS; (II) SCHEDULING HEARING TO CONSIDER SALE; (III) APPROVING FORM AND MANNER OF NOTICE THEREOF; (IV) AUTHORIZING ENTRY INTO STALKING HORSE AGREEMENTS SUBJECT TO FURTHER HEARING; AND (V) GRANTING RELATED RELIEF**

Upon consideration of the motion (the "**Motion**")<sup>2</sup> [Docket No. 93] of the above-captioned debtors (collectively, the "**Debtors**"), pursuant to sections 105(a), 363, 365, 503 and 507 of title 11 of the United States Code (the "**Bankruptcy Code**"), as supplemented by Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") and Rule 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**") for entry of an order approving bidding procedures and the sale of the Purchased Assets; and the Court having determined that the relief provided herein is in the best interest of the Debtors, their estates, their creditors and other parties in interest; and due and adequate notice of the Motion having been given under the circumstances; and upon the record of the hearing on the Motion, and the full

<sup>1</sup> If applicable, the last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) WP Steel Venture LLC (7095); (ii) Metal Centers LLC; (iii) RG Steel, LLC (1806); (iv) RG Steel Railroad Holding, LLC (4154); (v) RG Steel Sparrows Point, LLC (3633); (vi) RG Steel Warren, LLC (0253); (vii) RG Steel Wheeling, LLC (3273); and (viii) RG Steel Wheeling Steel Group, LLC (9927). The Debtors' executive headquarters are located at 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219.

<sup>2</sup> Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Motion.



record of these cases; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby:

**FOUND AND DETERMINED THAT:**<sup>3</sup>

A. This Court has jurisdiction over the Motion and the transactions contemplated thereunder pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue in this district is proper under 28 U.S.C. §§ 1408 and 1409.

B. Good and sufficient notice of the Motion and the relief sought therein has been given under the circumstances, and no other or further notice is required except as set forth herein with respect to the Auction and Sale Hearing. A reasonable opportunity to object or be heard regarding the relief provided herein has been afforded to parties in interest.

C. The Debtors' proposed notice of the Bidding Procedures is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Auction, the sale of the Purchased Assets, and the Bidding Procedures to be employed in connection therewith.

D. The Debtors have articulated good and sufficient business reasons for this Court to approve the Bidding Procedures, including: (i) the entry, subject to the terms hereof, into one or more Stalking Horse Agreements, subject to higher or better offers at the Auction, with one or more Stalking Horse Bidders, which Stalking Horse Agreements may provide for the provision of the Bid Protections to such Stalking Horse Bidders in accordance with the terms hereof; (ii) the establishment of bidding procedures for the auction and sale of the Purchased Assets and the scheduling of a bid deadline, auction and sale hearing for the sale of the Purchased Assets; and

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<sup>3</sup> Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when applicable. See Bankruptcy Rule 7052.

(iii) the establishment of procedures, as set forth below, for the assumption, assignment and/or transfer of the Executory Contracts and Unexpired Leases to any purchaser of the Purchased Assets and/or to resolve any objections thereto, including procedures to fix the Cure Amounts to be paid under section 365 of the Bankruptcy Code.

E. The Bidding Procedures are reasonably designed to maximize the value to be achieved for the Purchased Assets.

F. The entry of this Bidding Procedures Order is in the best interests of the Debtors, their estates, their creditors, and other parties in interest.

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

1. The Motion is granted as set forth herein.
2. All objections to the Motion or the relief provided herein that have not been withdrawn, waived or settled, and all reservations of rights included therein, hereby are overruled and denied on the merits.

**Bidding Procedures**

3. The Bidding Procedures, in substantially the form attached hereto as Schedule 1, are hereby incorporated herein and approved,<sup>4</sup> and shall apply with respect to the sale of the Purchased Assets. The Debtors are authorized to take all actions necessary or appropriate to implement the Bidding Procedures.

**Bid Deadline, Auction and Sale Hearing**

4. As further described in the Bidding Procedures, the deadline for submitting bids for the Purchased Assets (the "**Bid Deadline**") is July 25, 2012 at 12:00 noon

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<sup>4</sup> The failure specifically to include or reference a particular provision of the Bidding Procedures in this Order shall not diminish or impair the effectiveness of such provision.

(Prevailing Eastern Time). No bid shall be deemed to be a Qualified Bid (as defined in the Bidding Procedures) or otherwise considered for any purposes unless such bid meets the requirements set forth in the Bidding Procedures.

5. The Debtors may sell the Purchased Assets by conducting Auctions for such Purchased Assets in accordance with the Bidding Procedures. Pursuant to the Bidding Procedures, if two or more Qualified Bids for a Purchased Asset are timely received by the Debtors and the other Notice Parties (as defined in the Bidding Procedures) in accordance with the Bidding Procedures, the Auction for such Purchased Asset shall take place on (i) July 31, 2012 at 10:00 a.m. (Prevailing Eastern Time) or (ii) if the Stalking Horse Event (as defined below) occurs, on August 21, 2012 at 10:00 a.m. (prevailing Eastern Time) at the offices of Willkie Farr & Gallagher LLP, co-counsel to the Debtors, at 787 Seventh Avenue, New York, New York, or at such other place, date and time as may be designated in writing by the Debtors to the Notice Parties.

6. Each Qualified Bidder participating at the Auction will be required to confirm that it has not engaged in any collusion with respect to the bidding or the Sale.

7. The Auction will be conducted openly.

8. Bidding at the Auction will be transcribed or videotaped.

9. The Sale Hearing shall be held before this Court on August 8, 2012 at <sup>1:00</sup>~~4:00~~ p.m. (Prevailing Eastern Time), or as soon thereafter as counsel and interested parties may be heard; provided, however, that if the Stalking Horse Event occurs, the Sale Hearing shall be conducted at August 23, 2012 at 10:00 a.m.

10. The Sale Hearing may be adjourned, from time to time, without further notice to creditors or other parties in interest other than by announcement of said adjournment before this Court or on this Court's calendar on the date scheduled for said hearing.

11. Objections to the sale of the Purchased Assets, or related relief requested in the Motion,<sup>5</sup> must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) be filed with the clerk of the United States Bankruptcy Court for the District of Delaware, Third Floor, 824 Market Street, Wilmington, Delaware 19801, on or before 4:00 p.m. (Prevailing Eastern Time) on the date that is five (5) business days before the Sale Hearing; provided, however, in the event the Stalking Horse Event occurs, any objections to the sale of Purchased Assets shall be filed no later than one (1) business day before the Sale Hearing, or such later date and time as the Debtors may agree; and (d) be served so as to be received no later than 4:00 p.m. (Prevailing Eastern Time) on the same date, upon:

(i) the Debtors, RG Steel, LLC, 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219 (Attn: V. John Goodwin and Richard D. Caruso); (ii) co-counsel to the Debtors, (a) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019-6099 (Attn: Matthew Feldman, Esq., Shaunna Jones, Esq. and Weston T. Eguchi, Esq.) and (b) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P. O. Box 1347, Wilmington, DE 19899-1347 (Attn: Robert J. Dehney, Esq. and Erin R. Fay, Esq.); (iii) investment bankers to the Debtors, Sea Port Group Securities, LLC ("Seaport"), 360 Madison Avenue, 23<sup>rd</sup> Floor, New York, NY 10017 (Attn: James Tumulty and Edward Siegel); (iv) financial advisors to the Debtors, Conway MacKenzie, Inc., 600 Fifth Avenue, 25<sup>th</sup> Floor, New York,

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<sup>5</sup> Other than objections to the assumption, assignment and/or transfer of Executory Contracts and Unexpired Leases, which are addressed below.

NY 10020 (Attn: Donald MacKenzie and Michael S. Correra); (v) counsel to Wells Fargo Capital Finance, LLC, as administrative agent and co-collateral agent, and counsel to General Electric Capital Corporation, as syndication agent and co-collateral agent, under the Senior Prepetition Credit Agreement and the DIP Financing Agreement (the “**Senior Prepetition and DIP Agents**”), for the Senior Prepetition Lenders and the DIP Lenders, respectively, (a) Otterbourg, Steindler, Houston & Rosen, P.C., 230 Park Avenue, New York, NY 10169-0075 (Attn: Jonathan N. Helfat, Esq. and Daniel F. Fiorillo, Esq.) and (b) Paul Hastings LLP, 600 Peachtree Street, N.E., 24<sup>th</sup> Floor, Atlanta, GA 30308 (Attn: Jesse H. Austin, III, Esq.); (vi) financial advisor to the Senior Prepetition Lenders and DIP Lenders, Carl Marks Advisory Group LLC, 900 Third Avenue, 33<sup>rd</sup> Floor, New York, NY 10022-4775 (Attn: Marc L. Pfefferle); (vii) counsel to Cerberus Business Finance, LLC, as agent, under the Junior Prepetition Credit Agreement (the “**Junior Prepetition Agent**,” and together with the Senior Prepetition and DIP Agents, the “**Agents**”), for the Junior Prepetition Lenders, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, NY 10022 (Attn: Adam C. Harris, Esq.); and (viii) counsel to The Renco Group, Inc., as holder of the Renco Subordinated Notes (“**Renco**”), Cadwalader Wickersham & Taft LLP, One World Financial Center, New York, NY 10281 (Attn: Peter M. Friedman, Esq. and Michael C. Ryan, Esq.); (ix) counsel to the official committee of unsecured creditors (the “**Committee**”), Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Thomas Moers Mayer, Esq. and Joshua Brody, Esq.); and (x) the Office of the United States Trustee, 844

King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Mark Kenney, Esq.).

12. All objections must state with specificity the nature of such objection and will be heard by the Court at the Sale Hearing. The Debtors shall be entitled to file a reply to any objections no later than one (1) business day before the Sale Hearing; provided, however, in the event of the Stalking Horse Event, the Debtors shall file a reply as soon as practicable.

**Notice of Auction and Sale Hearing**

13. The Notice of Auction and Sale Hearing (as defined below) and the Notice of Assumption and Assignment (as defined below) to be issued in connection with the proposed sales of the Purchased Assets, substantially in the forms annexed hereto as Schedule 2 and Schedule 3, respectively, are approved, and such notice shall be good and sufficient, and no other or further notice shall be required if given as provided herein.

14. On or before three (3) business days after entry of this Bidding Procedures Order, the Debtors will cause:

(A) The notice, substantially in the form attached hereto as Schedule 2 (the “**Notice of Auction and Sale Hearing**”) and this Bidding Procedures Order to be sent by first-class mail postage prepaid, to the following: (a) the Office of the United States Trustee for the District of Delaware; (b) counsel to the Committee and any other statutory committees in these cases, if and when appointed; (c) counsel to the agents for the Debtors’ prepetition senior secured lenders; (d) counsel to agent for the Debtors’ junior prepetition secured lenders; (e) counsel to The Renco Group, Inc., a secured noteholder, (f) counsel to the agent for the Debtors’ postpetition secured lenders; (g) all entities (or counsel therefor) known or reasonably believed to have asserted any lien, claim, encumbrance, right of refusal, or other interest in or upon any portion of the Purchased

Assets; (h) all non-Debtor parties to the Executory Contracts and Unexpired Leases; (i) all Persons known or reasonably believed to have expressed a *bona fide* interest in acquiring some or all of a Purchased Asset within the last six months; (j) federal, state, and local regulatory or taxing authorities or recording offices or any other governmental authorities that, as a result of the sale of the Purchased Assets, may have claims, contingent or otherwise, in connection with the Debtors' ownership of the Purchased Assts or have any reasonably known interest in the relief requested by the Motion; (k) the Internal Revenue Service; (l) the United States Environmental Protection Agency; (m) any applicable state environmental agency; (n) the United States Attorneys' office; (o) the Attorneys General in the states where the Purchased Assets are located; and (p) all parties that have requested, prior to the date of service of the notice, or that are required to receive notice pursuant to Bankruptcy Rule 2002;

(B) The Notice of Auction and Sale Hearing to be served on all known creditors of the Debtors; and

(C) Subject to applicable submission deadlines, the Notice of Auction and Sale Hearing to be published in one (1) national publication the Debtors deem appropriate.

In addition to the foregoing, electronic notification of the Sale Motion, the Bidding Procedures Order and the Notice of Auction and Sale Hearing will be posted on: (1) the Court's website, <http://www.deb.uscourts.gov>; and (2) the case website maintained by the Debtors' claims and noticing agent, Kurtzman Carson Consultants LLC, <http://www.kccllc.net/RGSteel>.



**Assumption and Assignment of Executory Contracts and Unexpired Leases**

15. On or before three (3) business days after the entry of the Bidding Procedures Order, the Debtors shall serve by first class mail or hand delivery, a notice of potential assumption, assignment and/or transfer of the Executory Contracts and Unexpired Leases (substantially in the form attached hereto as Schedule 3, the “**Notice of Assumption and Assignment**”) on all non-Debtor parties to the Executory Contracts and Unexpired Leases. In addition, if the Debtors identify additional executory contracts or unexpired leases that might be assumed by the Debtors and assigned to the purchaser at Purchased Assets (the “**Purchaser**”) not set forth in the original Notice of Assumption and Assignment, the Debtors shall promptly send a supplemental notice (a “**Supplemental Notice of Assumption and Assignment**”) to the applicable counterparties to such additional executory contracts and unexpired leases.

16. In the Notice of Assumption and Assignment or Supplemental Notice of Assumption and Assignment, the Debtors shall identify whether the Executory Contract or Unexpired Lease may be assumed, and (a) the calculation of the undisputed cure amounts that the Debtors believe must be paid to cure all defaults under such Executory Contract and Unexpired Lease, and (b) any non-monetary default under such Executory Contract and Unexpired Lease known to the Debtors that is required to be cured under section 365 of the Bankruptcy Code prior to the assumption and/or assignment of such Executory Contract and Unexpired Lease (collectively, the “**Cure Amounts**”), as of the date of such notice (the “**Cure Date**”). If the Debtors believe that there is no Cure Amount under an Executory Contract or Unexpired Lease as of the Cure Date, no corresponding amount or nonmonetary default shall be listed on the Notice of Assumption and Assignment or Supplemental Notice of Assumption and Assignment.

17. Unless the non-Debtor party to an Executory Contract or Unexpired Lease files an objection (the “**Cure Amount/Assignment Objection**”) to (a) its scheduled Cure Amount and/or (b) the proposed assumption, assignment and/or transfer of such Executory Contract or Unexpired Lease by 4:00 p.m. (Prevailing Eastern Time) on the date that is twenty (20) days after service of the applicable Notice of Assumption and Assignment (or, for any Executory Contract or Unexpired Lease for which a Supplemental Notice of Assumption and Assignment was served, 4:00 p.m. (Prevailing Eastern Time) on the date that is the earlier of (x) fourteen (14) days after service of the applicable Supplemental Notice of Assumption and Assignment and (y) two (2) business days prior to the Sale Hearing) (the “**Cure/Assignment Objection Deadline**”), and serves a copy of the Cure Amount/Assignment Objection so as to be received no later than 4:00 p.m. on the Cure/Assignment Objection Deadline on the same day to:

(i) the Debtors, RG Steel, LLC, 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219 (Attn: V. John Goodwin and Richard D. Caruso); (ii) co-counsel to the Debtors, (a) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019-6099 (Attn: Shaunna Jones, Esq. and Weston T. Eguchi, Esq.) and (b) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P. O. Box 1347, Wilmington, DE 19899-1347 (Attn: Robert J. Dehney, Esq. and Erin R. Fay, Esq.); (iii) investment bankers to the Debtors, Sea Port Group Securities, LLC, 360 Madison Avenue, 23<sup>rd</sup> Floor, New York, NY 10017 (Attn: James Tumulty and Edward Siegel); (iv) financial advisors to the Debtors, Conway MacKenzie, Inc., 600 Fifth Avenue, 25<sup>th</sup> Floor, New York, NY 10020 (Attn: Donald MacKenzie and Michael S. Correra); (v) counsel to the Senior Prepetition and DIP Agents, for the Senior Prepetition Lenders and the DIP Lenders,

respectively, (a) Otterbourg, Steindler, Houston & Rosen, P.C., 230 Park Avenue, New York, NY 10169-0075 (Attn: Jonathan N. Helfat, Esq. and Daniel F. Fiorillo, Esq.) and (b) Paul Hastings LLP, 600 Peachtree Street, N.E., 24<sup>th</sup> Floor, Atlanta, GA 30308 (Attn: Jesse H. Austin, III, Esq.); (vi) financial advisor to the Senior Prepetition Lenders and DIP Lenders, Carl Marks Advisory Group LLC, 900 Third Avenue, 33<sup>rd</sup> Floor, New York, NY 10022-4775 (Attn: Marc L. Pfefferle); (vii) counsel to the Junior Prepetition Agent, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, NY 10022 (Attn: Adam C. Harris, Esq.); and (viii) counsel to Renco, Cadwalader Wickersham & Taft LLP, One World Financial Center, New York, NY 10281 (Attn: Peter M. Friedman, Esq. and Michael C. Ryan, Esq.); (ix) counsel to the Committee, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Thomas Moers Mayer, Esq. and Joshua Brody, Esq.); and (x) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Mark Kenney, Esq.);

then such non-Debtor party (i) will be forever barred from objecting to the Cure Amount and from asserting any additional prepetition cure or other prepetition amounts with respect to such Executory Contract and Unexpired Lease and the Debtors shall be entitled to rely solely upon the Cure Amount, and (ii) if the Executory Contract or Unexpired Lease was identified as to be assumed, assigned and/or transferred by the Successful Bidder, be deemed to have consented to the assumption, assignment and/or transfer of such Executory Contract and Unexpired Lease and shall be forever barred and estopped from asserting or claiming against the Debtors, the Successful Bidder or any other assignee of the relevant Executory Contract or Unexpired Lease

that any additional prepetition amounts are due or prepetition defaults exist, or conditions to assumption, assignment, and/or transfer must be satisfied, under such Executory Contract or Unexpired Lease as of the Cure Date. Nothing herein shall be deemed to prejudice or bar a non-Debtor party's claim for any unpaid cure amounts under an Executory Contract or Unexpired Lease relating to the period from the Cure Date to the effective date of assignment of such Executory Contract or Unexpired Lease.

18. If an objection challenges a Cure Amount, the objection must set forth the cure amount being claimed by the objecting party and/or any non-monetary defaults the objecting party asserts must be cured prior to assumption and/or assignment of the applicable Executory Contract or Unexpired Lease (the "**Claimed Cure Amount**") with appropriate documentation in support thereof. Upon receipt of an objection to a Cure Amount, the Debtors or the Successful Bidder, as the case may be, may, in their sole discretion, hold an amount equal to the Claimed Cure Amount in reserve pending further order of the Court or agreement between the Debtors, the Successful Bidder and the objecting party. If the Claimed Cure Amount or such other amount as the Court may order is held in reserve, the Debtors may assume, assign and/or transfer the Executory Contract or Unexpired Lease that is the subject of an objection without further delay. Upon assumption and assignment of such Executory Contract or Unexpired Lease, the objecting party's recourse with respect to the Cure Amounts will be limited to the funds held in reserve.

19. The Debtors or the Successful Bidder, as the case may be, may determine to exclude any Executory Contract or Unexpired Lease (an "**Excluded Contract**") from the list of Purchased Assets no later than one (1) business day prior to the Sale Hearing. The non-

Debtor party or parties to any such Excluded Contract will be notified of such exclusion by written notice mailed within one (1) business day of such determination.

20. Within one (1) business day after the conclusion of the Auction for a Purchased Asset, the Debtors will serve a notice identifying the Successful Bidder(s) and Back-Up Bidder to the non-Debtor parties to the Executory Contracts and Unexpired Leases that have been identified in the Successful Bid for such Purchased Asset. The non-Debtor parties to the Executory Contracts and Unexpired Leases will have until 12:00 noon (Prevailing Eastern Time) on the date that is one (1) business day prior to the Sale Hearing (or if the Stalking Horse Event occurs, as soon as practicable prior to the Sale Hearing) to object to the assumption, assignment and/or transfer of such Executory Contract or Unexpired Lease solely on the issue of whether the Successful Bidder can provide adequate assurance of future performance as required by section 365 of the Bankruptcy Code.

21. Replies to objections to the Sale Motion shall be filed on or before 5:00 p.m. (Prevailing Eastern Time) on the date that is one (1) business day prior to the Sale Hearing (or if the Stalking Horse Event occurs, as soon as practicable prior to the Sale Hearing).

#### **Other Stalking Horse Agreements**

22. At any time on or prior to 5:00 p.m. (Prevailing Eastern Time) on July 30, 2012 (the "**Stalking Horse Deadline**"), the Debtors, with the reasonable consent of the Senior Prepetition and DIP Agents and the Committee, may, with respect to each Purchased Asset for which a Stalking Horse Bidder has not been approved by the Court, enter into a purchase agreement (each, a "**Stalking Horse Agreement**"), subject to higher and better offers at the Auction, with a bidder that submits a Qualified Bid with respect to such Purchased Asset (each, a "**Stalking Horse Bidder**") to establish a minimum Qualified Bid for such Purchased Asset at the

Auction (the “**Stalking Horse Event**”). The Stalking Horse Agreement may, with the reasonable consent of the Senior Prepetition and DIP Agents and the Committee, contain customary terms and conditions providing the Stalking Horse Bidder with reasonable expense reimbursement, overbid protections break-up fees or other bid protections (collectively, the “**Bid Protections**”).

23. Promptly after entering into a Stalking Horse Agreement, the Debtors will distribute such agreement to the parties submitting other Qualified Bids for the respective Purchased Asset. If the Stalking Horse Event occurs, (a) on or before the Stalking Horse Deadline, the agreement(s) shall be placed on the Court’s docket and notice thereof shall be given to all parties who received notice of the Bidding Procedures Motion, all parties on the Debtors’ 2002 Notice list and all Potential Bidders; and (b) the Court shall conduct a hearing on a date that is two (2) or more business days thereafter to consider approval of the proposed Bid Protections. The Bid Protections hearing may be adjourned or rescheduled without notice other than as stated on the record in Court or in an appropriate agenda letter.

24. Should the Court approve an expense reimbursement in a Stalking Horse Agreement, the Debtors will be authorized to pay such expense reimbursement as provided in such Stalking Horse Agreement, and the obligation to pay such amount: (i) shall be entitled to administrative expense claim status under sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code; (ii) shall not be subordinate to any other administrative expense claim against the Debtors (other than any super-priority claim granted under the Proposed DIP Orders, any carve-out for professional fees and expenses included in the Proposed DIP Orders, or any adequate protection order in existence as of the date hereof); and (iii) shall survive the termination of the applicable Stalking Horse Agreement.

### **Credit Bidding**

25. Subject to any applicable intercreditor agreement and the DIP Orders, (a) each of the Agents, for itself and on behalf of its respective lenders, and Renco (each, a "**Credit Bidding Party**") shall be deemed to be a Potential Bidder and a Qualified Bidder for all purposes in connection with the Bidding Procedures and (b) such Credit Bidding Party shall, pursuant to 11 U.S.C. § 363(k), unless otherwise determined by the Court, be permitted, but not compelled, to credit bid ("**Credit Bid**") upon all or any portion of the Purchased Assets constituting collateral of such Credit Bidding Party; provided, however, that such Credit Bid must (x) include an offer for the payment, in cash, of an amount sufficient to satisfy in full all senior liens on such Purchased Asset (or provide such other treatment acceptable to the senior lienholder) and (y) provide for the payment of any success fee or incentive compensation that is based on the sale of such Purchased Asset, including, without limitation, (a) the Seaport Success Fee, and (b) the Conway Success Fee.

### **Reservation of Rights**

26. Entry of this Bidding Procedures Order shall not constitute a waiver of the rights of any party to object to the sale of Purchased Assets in accordance with the objection procedures set forth in the Notice of Auction and Sale Hearing. All such objection rights, and the Debtors' rights to respond to any Sale objections, are hereby expressly reserved.

27. Notwithstanding anything to the contrary herein, nothing in this Order shall be deemed to amend, modify, limit, impair or change the rights and obligations of the Debtors and the Senior Prepetition and DIP Agents, the Senior Prepetition Lenders, and the DIP

Lenders under the Senior Prepetition Credit Agreement, the DIP Financing Agreement, the order authorizing the Debtors to enter into the DIP Financing Agreement, on an interim basis [Docket No. 71], or any other order of this Court approving the DIP Financing Agreement or authorizing the Debtors to perform under the DIP Financing Agreement.

**Other Provisions**

28. Except as otherwise provided herein, and subject to the right, if any, of the Credit Bidding Parties to Credit Bid and the classification of any such Credit Bid as a Qualified Bid and a Credit Bidding Party as a Qualified Bidder for all purposes, the Debtors (in consultation with the Senior Prepetition and DIP Agents and the Committee as further set forth herein) reserve the right as they may determine in the reasonable exercise of their business judgment to be in the best interests of their estates, to: (i) determine which bidders are Potential Bidders or Qualified Bidders; (ii) determine which bids are Qualified Bids; (iii) determine which Qualified Bid is the highest or best proposal and which is the next highest or best proposal; (iv) with the consent of the Committee, reject any bid that is (a) inadequate or insufficient, (b) not in conformity with the requirements of the Bidding Procedures or the requirements of the Bankruptcy Code, or (c) contrary to the best interests of the Debtors and their estates; (v) remove some of the Purchased Assets from the Auction; (vi) waive terms and conditions set forth herein and in the Bid Procedures with respect to all Potential Bidders; (vii) with the consent of the Committee, impose additional terms and conditions with respect to all Potential Bidders; (viii) extend the deadlines set forth herein; (ix) with the consent of the Committee, adjourn or cancel the Auction and/or Sale Hearing in open court without further notice; and (x) modify the Bidding Procedures as the Debtors may determine to be in the best interests of their estates or to withdraw the Motion at any time with or without prejudice.



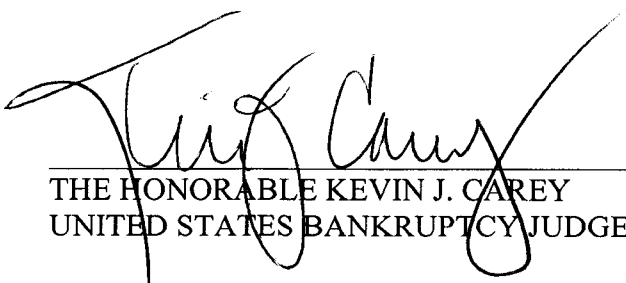
29. For the avoidance of doubt, and notwithstanding anything to the contrary in this Bidding Procedure Order, no provision of this Bidding Procedures Order authorizes, or shall be deemed to authorize, the Debtors to sell property that they do not own or that does not constitute “property of the estate” within the meaning of Section 541 of the Bankruptcy Code, and the rights of all parties in interest, including, but not limited to, Global Recycling & Demolition, LLC, Oxbow Carbon & Minerals LLC, Balli Group PLC, Balli Steel PLC, Credit Europe Bank, KM Crane, LLC, Kinder Morgan Operating LP “C”, Kinder Morgan Bulk Terminals, Inc., Pinney Dock & Transport LLC, EMR Holdings (USA) LLC and Affiliates and Smith Export Terminal, Inc., Banque Cantonale Vaudoise, Vanomet International AG, Sparrows Point Scrap Processing, LLC, DeLage Landen Financial Services, Inc., and Fritz Enterprises, Inc. to assert that any particular property in the possession of the Debtors or otherwise does not constitute “property of the estate” within the meaning of section 541 of the Bankruptcy Code are expressly preserved hereby.

30. In the event of any conflict or inconsistency between this Order and the Bidding Procedures, the Bidding Procedures shall control.

31. The stays provided for in Bankruptcy Rules 6004(h) and 6006(d) are waived and Bidding Procedures Order shall be effective immediately upon its entry.

32. This Court shall retain jurisdiction over any matters related to or arising from the implementation of this Order.

Dated: June 21, 2012  
Wilmington, Delaware



THE HONORABLE KEVIN J. CAREY  
UNITED STATES BANKRUPTCY JUDGE

**SCHEDULE 1**

**Bid Procedures**

## BIDDING PROCEDURES

By a motion dated June 4, 2012 [Docket No. 93] (the "**Motion**"), WP Steel Venture LLC and its affiliated debtors and debtors in possession (collectively, the "**Debtors**") sought, among other things, approval of the procedures related to the proposed sale of the Purchased Assets (as defined below). On June 21, 2012, the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") entered an order (the "**Bidding Procedures Order**")<sup>1</sup> authorizing the Debtors to solicit bids for the Purchased Assets (as defined below) in accordance with the bidding procedures described herein (the "**Bidding Procedures**"). As part of the Bidding Procedures, the Bankruptcy Court has scheduled a hearing to consider entry of an order (the "**Sale Order**") approving the sale of the Purchased Assets to the Successful Bidder (as defined below), to be conducted on August 8, 2012 at 4:00 p.m. (Prevailing Eastern Time), in Courtroom 5 at the Bankruptcy Court, before the Honorable Kevin J. Carey (the "**Sale Hearing**"); provided, however, if the Debtors choose a Stalking Horse Purchaser in accordance with the Bidding Procedures Order, the Sale Hearing shall be conducted on August 23, 2012 at 10:00 a.m. (Prevailing Eastern Time).

### **I. Important Dates for Potential Competing Bidders**

These Bidding Procedures provide for an opportunity for interested parties to qualify and participate in the Auction (as defined below) and submit competing bids for the Purchased Assets. The key dates for the sale process are as follows:

July 20, 2012 at 5:00 p.m. (Prevailing Eastern Time)	Deadline for Participation Materials
July 25, 2012 at 12:00 noon (Prevailing Eastern Time)	Bid Deadline – Due Date for Bids and Deposits
July 30, 2012	Deadline to Identify Stalking Horse Purchaser
July 31, 2012 at 10:00 a.m. (Prevailing Eastern Time)	Auction (if no Stalking Horse Purchaser)
August 21, 2012 at 10:00 a.m. (Prevailing Eastern Time)	Auction (if Stalking Horse Purchaser)
August 8, 2012 at <del>4:00</del> <sup>1:00 p.m.</sup> p.m. (Prevailing Eastern Time)	Sale Hearing (if no Stalking Horse Purchaser)
August 23, 2012 at 10:00 a.m. (Prevailing Eastern Time)	Sale Hearing (if no Stalking Horse Purchaser)

<sup>1</sup> Unless otherwise specified, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Bidding Procedures Order.

## II. Assets to Be Sold

The Debtors seek to sell: (a) the Sparrows Point Assets;<sup>2</sup> (b) the Warren Assets; (c) the Wheeling Corrugating Assets; and (d) the Remainder Wheeling Assets (each a "**Purchased Asset**," and collectively, the "**Purchased Assets**"), including the Assumed Contracts and Assumed Leases (as such terms are defined in the Purchase Agreement).

## III. Form of Asset Purchase Agreement

The Debtors have drafted a form of Asset Purchase Agreement (each, collectively with all ancillary documents and agreements, the "**Purchase Agreements**") for Potential Bidders (as defined below), as purchasers ("**Purchasers**"), which contemplates a set of related transactions (collectively, the "**Sale Transaction**") for the sale of a Purchased Asset to the Purchasers in consideration for the Purchase Price (as defined in the Purchase Agreement), all subject to the terms and conditions set forth in the Purchase Agreement.

## IV. The Bidding Process

The Debtors shall: (a) assist and coordinate the efforts of Potential Bidders in conducting their respective due diligence investigations regarding the Purchased Assets; (b) determine whether any person or entity is a Qualified Bidder (as defined below); (c) receive and evaluate bids from Qualified Bidders; (d) administer the Auction; and (e) seek authority to sell the Purchased Assets to the Successful Bidder(s) (as defined below) at the Sale Hearing. The foregoing activities are referred to, collectively, as the "**Bidding Process**."

Any person or entity who wishes to participate in the Bidding Process must meet the participation requirements for Potential Bidders below and must thereafter submit a Qualified Bid to become a Qualified Bidder. Notwithstanding the foregoing, subject to any applicable intercreditor agreements and the terms of the DIP Orders, (a) each of the Agents, for itself and on behalf of its respective lenders, or Renco (each, as defined below, and each, a "**Credit Bidding Party**") shall be deemed to be a Potential Bidder and, provided such Credit Bidding Party timely delivers Bid Materials in accordance with the Bidding Procedures, a Qualified Bidder for all purposes in connection with these Bidding Procedures and (b) such Credit Bidding Party shall, unless otherwise determined by the Court pursuant to 11 U.S.C. § 363(k), be permitted, but not compelled, to credit bid ("**Credit Bid**") upon all or any portion of the Purchased Assets constituting collateral of such Credit Bidding Party; provided, however, that such Credit Bid on a Purchased Asset must (x) include an offer for the payment, in cash, of an amount sufficient to satisfy in full all senior liens on such Purchased Asset (or provide such other treatment acceptable to the senior lienholder) and (y) provide for the payment of any success fee or incentive compensation that is based on the sale of such Purchased Asset and that is approved by the Court, including, without limitation, the Seaport Success Fee,<sup>3</sup> and the Conway Success Fee.

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<sup>2</sup> The terms "**Sparrows Point Assets**," "**Warren Assets**," "**Wheeling Corrugating Assets**" and "**Remainder Wheeling Assets**" shall have the meanings ascribed to such terms in the Motion.

<sup>3</sup> The terms "**Seaport Success Fee**" and "**Conway Success Fee**" shall have the meanings ascribed to such terms in the Motion.

## V. Participation Requirements

To participate in the Bidding Process, each interested person or entity must deliver the following documents to the parties set forth below (the "**Participation Materials**"):

(a) An executed confidentiality agreement in form and substance satisfactory to the Debtors;

(b) A statement demonstrating to the Debtors' satisfaction, in consultation with the Senior Prepetition and DIP Agents (as defined below) and the Committee (as defined below), a *bona fide* interest in purchasing some or all of a Purchased Asset from the Debtors;

(c) Current audited financial statements of (i) the Potential Bidder, or (ii) if the Potential Bidder is an entity formed for the purpose of acquiring the Purchased Asset, current audited financial statements of the equity holder(s) of the Potential Bidder who shall either guarantee the obligations of the Potential Bidder or provide such other form of financial disclosure and credit-quality support information or enhancement reasonably acceptable to the Debtors, in consultation with the Senior Prepetition and DIP Agents and the Committee;

(d) Information that can be publicly filed and/or disseminated representing that the Potential Bidder has the financial wherewithal to satisfy cure and adequate assurance requirements with respect to the Assumed Contracts and Assumed Leases under the Bankruptcy Code, which information may be required to be supplemented at the request of the Debtors or other parties in interest; and

(e) Information that can be publicly filed and/or disseminated, and which may be required to be supplemented at the request of the Debtors or other parties in interest, representing that the Potential Bidder has the financial wherewithal to comply with requirements under state and federal environmental laws at each Purchased Asset for which such Potential Bidder may submit a bid, including requirements that are the subject of existing environmental orders and enforcement actions.

The Participation Materials must be transmitted so as to be received no later than July 20, 2012 at 5:00 p.m. (Prevailing Eastern Time) (the "**Participation Deadline**") by each of the following parties (collectively, the "**Notice Parties**"): (i) the Debtors, RG Steel, LLC, 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219 (Attn: V. John Goodwin and Richard D. Caruso); (ii) co-counsel to the Debtors, (a) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019-6099 (Attn: Matthew Feldman, Esq., Shaunna Jones, Esq. and Weston T. Eguchi, Esq.) and (b) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P. O. Box 1347, Wilmington, DE 19899-1347 (Attn: Robert J. Dehney, Esq. and Erin D. Fay, Esq.); (iii) investment bankers to the Debtors, Sea Port Group Securities, LLC ("**Seaport**"), 360 Madison Avenue, 23<sup>rd</sup> Floor, New York, NY 10017 (Attn: James Tumulty and Edward Siegel); (iv) financial advisors to the Debtors, Conway MacKenzie, Inc., 600 Fifth Avenue, 25<sup>th</sup> Floor, New York, NY 10020 (Attn: Donald MacKenzie and Michael S. Corraera); (v) counsel to Wells Fargo Capital Finance, LLC, as administrative agent and co-collateral agent, and counsel to General Electric Capital Corporation, as syndication agent and co-collateral agent, under the Senior Prepetition Credit Agreement and the DIP Financing Agreement (the "**Senior Prepetition and DIP Agents**"), for the Senior Prepetition Lenders and the DIP Lenders, respectively,

(a) Otterbourg, Steindler, Houston & Rosen, P.C., 230 Park Avenue, New York, NY 10169-0075 (Attn: Jonathan N. Helfat, Esq. and Daniel F. Fiorillo, Esq.) and (b) Paul Hastings LLP, 600 Peachtree Street, N.E., 24<sup>th</sup> Floor, Atlanta, GA 30308 (Attn: Jesse H. Austin, III, Esq.); (vi) financial advisor to the Senior Prepetition Lenders and DIP Lenders, Carl Marks Advisory Group LLC, 900 Third Avenue, 33<sup>rd</sup> Floor, New York, NY 10022-4775 (Attn: Marc L. Pfefferle); (vii) counsel to Cerberus Business Finance, LLC, as agent, under the Junior Prepetition Credit Agreement (the “**Junior Prepetition Agent**,” and together with the Senior Prepetition and DIP Agents, the “**Agents**”), for the Junior Prepetition Lenders, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, NY 10022 (Attn: Adam C. Harris, Esq.); and (viii) counsel to The Renco Group, Inc., as holder of the Renco Subordinated Notes (“**Renco**”), Cadwalader Wickersham & Taft LLP, One World Financial Center, New York, NY 10281 (Attn: Peter M. Friedman, Esq. and Michael C. Ryan, Esq.); (ix) counsel to the official committee of unsecured creditors (the “**Committee**”), Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Thomas Moers Mayer, Esq. and Joshua Brody, Esq.); (x) United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Attn: David R. Jury, Five Gateway Center, Pittsburgh, PA 15222; and (xi) only the Participation Materials listed in subsection (e) to counsel for the United States Environmental Protection Agency, United States Department of Justice, P.O. Box 7611, Washington, DC 20044 (Attn: Michael J. Zoeller, Esq.) and counsel for the state environmental agency of each state where Purchased Assets for which such Potential Bidder may submit a bid are located.

Any party that delivers the Participation Materials shall be a “**Potential Bidder**” with respect to the Purchased Assets to which such Participation Materials relate, and by delivering the Participation Material each Potential Bidder acknowledges that its identity may be made public, including in court filings. If the Debtors determine that a Potential Bidder has a *bona fide* interest in some or all of a Purchased Asset, then no later than two (2) business days after such determination, the Debtors will deliver to the Potential Bidder: (a) an electronic copy (in Word format) of the Purchase Agreement relating to such Purchased Asset; and (b) access to information for a confidential electronic data room concerning such Purchased Asset (the “**Data Room**”).

## **VI. Due Diligence**

Until the Bid Deadline (as defined below), the Debtors will afford any Potential Bidder such due diligence access or additional information as may be reasonably requested by the Potential Bidder that the Debtors, in their business judgment, determine to be reasonable and appropriate under the circumstances. All due diligence requests shall be directed to Seaport, as indicated above. The Debtors shall coordinate all reasonable requests for additional information and due diligence access from Potential Bidders. If the Debtors determine that due diligence material requested by a Potential Bidder is reasonable and appropriate under the circumstances, but such material has not previously been provided to any other Potential Bidder, the Debtors shall post such materials in the Data Room and provide email notice of such posting to all Potential Bidders for the relevant Purchased Asset, as well as to the Notice Parties.

Unless otherwise determined by the Debtors, in consultation with the Senior Prepetition and DIP Agents and the Committee, the availability of additional due diligence to a Potential Bidder will cease on the Bid Deadline. Except as provided above with respect to the copy of the

Purchase Agreement provided by the Debtors to the Potential Bidders, and information in the Data Room, neither the Debtors nor their representatives will be obligated to furnish any information of any kind whatsoever relating to the Purchased Assets to any party.

#### **VII. Bid Deadline**

A Potential Bidder that desires to make a bid shall deliver written and electronic copies of its bid to the Notice Parties so as to be received no later than July 25, 2012 at 12:00 noon (Prevailing Eastern Time) (the "**Bid Deadline**").

#### **VIII. Qualified Bid Requirements**

With respect to each Purchased Asset, to participate in the Auction, if any, for such Purchased Asset, a bidder must deliver to the Notice Parties a written offer, which must provide or otherwise comply with, at a minimum, each of the items noted below (the "**Bid Materials**") to be deemed a "Qualified Bid":

(a) Potential Bidder submits an executed original of the Purchase Agreement and ancillary documents by which the Potential Bidder offers to purchase some or all of such Purchased Asset from the Debtors at the Purchase Price and upon the terms and conditions set forth therein, together with a marked copy showing any proposed changes to the form of Purchase Agreement (the "**Marked Agreement**").

(b) The bid is not subject to any due diligence or financing contingency, is not conditioned on bid protections, and is not subject to any future corporate or governmental consent or approval.

(c) The proposed Purchase Price and the Purchased Asset that is the subject of the bid are specified.

(d) The bid is received by the Debtors by the Bid Deadline.

(e) The bid does not entitle a bidder to any break-up fee, termination fee or similar type of payment or reimbursement and, by submitting a bid, the bidder waives the right to pursue a substantial contribution claim under 11 U.S.C. § 503 related in any way to the submission of its bid or the Bidding Procedures.

(f) A cash deposit (the "**Deposit**") in immediately available funds equal to two percent (2%) of the cash consideration of the proposed Purchase Price for the Purchased Asset that is the subject of the bid is delivered in the form of a certified check or wire transfer to counsel for the Debtor by the Bid Deadline. The Deposit shall be held by the Debtors in escrow and will be refunded on the terms set forth below.

(g) The bid also contains a list of the Debtors' executory contracts and unexpired leases that the Potential Bidder proposes to be assumed and assigned to it.

(h) The bid contains an acknowledgment that it is an irrevocable offer that is binding on the Potential Bidder in accordance with the terms of these Bidding Procedures.

(i) The bid demonstrates the Qualified Bidder's commitment to pay all Cure Costs and ability to provide adequate assurance of future performance under any executory contracts or unexpired leases to be assumed and/or assigned pursuant to such bid.

(j) The bid states whether the Potential Bidder intends to assume all or a portion of the defined benefit pension plans sponsored by Debtors RG Steel Warren, LLC or RG Steel Wheeling, LLC.

(k) The bid states whether the Potential Bidder intends to operate the applicable Purchased Asset.

In order to be considered a Qualified Bid, a bid must offer to purchase some or all of a Purchased Asset. A Potential Bidder may submit bids for more than one Purchased Asset provided that separate bids are submitted for each Purchased Asset. For the avoidance of doubt, if a Potential Bidder submits multiple bids for more than one Purchased Asset, it shall be required to submit a separate Purchase Agreement and Marked Agreement in connection with each bid for each Purchased Asset. A Potential Bidder may not submit a single bid for a combination of more than one Purchased Asset; provided, however, that, at the same time a bid is submitted for a Purchased Asset, the Potential Bidder may indicate that its offer to purchase such asset is conditioned upon its bid for another Purchased Asset being the Successful Bid (as defined below) (a "**Combination Condition**"), which Combination Condition may be revoked by the Potential Bidder at any time.

A Potential Bidder shall accompany its bid with: (a) written evidence of available cash, a commitment for financing or ability to obtain a satisfactory commitment if selected as the Successful Bidder and such other evidence of ability to consummate the Sale Transaction as the Debtors, in consultation with the Senior Prepetition and DIP Agents and the Committee, may reasonably request; (b) a copy of a board resolution or similar document demonstrating the authority of the Potential Bidder to make a binding and irrevocable bid on the terms proposed; and (c) any pertinent factual information regarding the Potential Bidder's operations that would assist the Debtors in their analysis of issues arising with respect to any applicable antitrust laws or other aspects of the bid.

A bid received from a Potential Bidder will be considered a "Qualified Bid" only if it meets the above requirements. Each Potential Bidder that submits a Qualified Bid for a Purchased Asset will be considered a "**Qualified Bidder**" with respect to such Purchased Asset. Subject to the limitations described above under Section IV and provided that the Credit Bidding Party has timely delivered to the Notice Parties the Bid Materials with respect to its Credit Bid and, solely to the extent such Credit Bidding Party seeks to have executory contracts and unexpired leases assumed and assigned to it, adequate assurance of future performance under such executory contracts and unexpired leases as required under section 365(b)(1), each Credit Bidding Party shall constitute a Qualified Bidder and each Credit Bidding Party's Credit Bid is a Qualified Bid. The Debtors shall determine, in the exercise of their reasonable business judgment, that a bid is a Qualified Bid in consultation with the Senior Prepetition and DIP Agents and the Committee. A Qualified Bid will be valued based upon factors such as: (a) the consideration set forth in the Qualified Bid, including any benefit to the Debtors' bankruptcy estates from any assumption of liabilities of the Debtors, including without limitation, liabilities related to the defined benefit pension plans sponsored by Debtors RG Steel Warren, LLC and



RG Steel Wheeling, LLC; (b) the Debtors' and Qualified Bidder's ability to close the proposed Sale Transaction without delay and within the timeframes contemplated by the Purchase Agreement; (c) the ability to obtain all necessary antitrust or other regulatory approvals for the proposed transaction; (d) the Qualified Bidder's ability to negotiate all necessary agreements or amendments of existing agreements with relevant unions; and (e) any other factors the Debtors may deem relevant. The Debtors shall provide copies of all Qualified Bids to each of the other Qualified Bidders promptly following the expiration of the Bid Deadline.

The Debtors, in consultation with the Senior Prepetition and DIP Agents and the Committee, shall reject any bid if, among other things, such bid:

- (i) is on terms that are materially more burdensome or conditional than the terms of the Purchase Agreement; or
- (ii) includes a non-cash instrument or similar consideration that is not freely marketable.

Any bid rejected pursuant to this paragraph shall not be deemed to be a Qualified Bid.

#### **IX. Irrevocable and Binding Bids.**

EACH QUALIFIED BID SUBMITTED (INCLUDING ANY STALKING HORSE AGREEMENT (AS DEFINED BELOW)) SHALL CONSTITUTE AN IRREVOCABLE OFFER AND BE BINDING ON THE APPLICABLE QUALIFIED BIDDER FROM THE TIME THE BID IS SUBMITTED UNTIL THE ENTRY OF THE SALE ORDER; PROVIDED, HOWEVER, THAT THE SUCCESSFUL BID SHALL REMAIN IRREVOCABLE AND BINDING IN ACCORDANCE WITH THE TERMS OF THE PURCHASE AGREEMENT EXECUTED BY THE SUCCESSFUL BIDDER(S); PROVIDED FURTHER THAT THE BACK-UP BID SHALL BE IRREVOCABLE AND BINDING ON THE BIDDER UNTIL THE EARLIER OF TWO (2) BUSINESS DAYS AFTER THE CLOSING OF THE SALE OF THE PURCHASED ASSETS OR THIRTY (30) DAYS AFTER THE SALE ORDER IS ENTERED.

#### **X. Stalking Horse**

At any time on or prior to July 30, 2012, the Debtors, with the reasonable consent of the Senior Prepetition and DIP Agents and the Committee, may, with respect to each Purchased Asset for which a Stalking Horse Bidder has not been approved by the Bankruptcy Court, enter into a purchase agreement (each, a "**Stalking Horse Agreement**"), subject to higher and better offers at the Auction, with a bidder that submits a Qualified Bid with respect to such Purchased Asset (each, a "**Stalking Horse Bidder**") to establish a minimum Qualified Bid for such Purchased Asset at the Auction. The Stalking Horse Agreement may, with the reasonable consent of the Senior Prepetition and DIP Agents and the Committee, contain customary terms and conditions providing the Stalking Horse Bidder with certain bid protections including, but not limited to, reasonable expense reimbursement and overbid protections (collectively, the "**Bid Protections**").

Promptly after entering into a Stalking Horse Agreement, the Debtors will distribute such agreement to the parties submitting other Qualified Bids for the respective Purchased Asset. If

the Debtors enter into any such Stalking Horse Agreement(s), (a) on or before the Participation Deadline, the agreement(s) shall be placed on the Bankruptcy Court docket and notice thereof shall be given to all parties who received notice of the Bidding Procedures Motion, all parties on the Debtors' 2002 Notice list and all Potential Bidders; and (b) the Court shall conduct a hearing on a date that is two (2) or more business days thereafter, subject to the Bankruptcy Court's availability to consider approval of the proposed Bid Protections. The Bid Protections hearing may be adjourned or rescheduled without notice other than as stated on the record in court or in an appropriate agenda letter.

## **XI. The Auction**

An auction (the "**Auction**") for each Purchased Asset shall be held only if there are two or more Qualified Bids for such Purchased Asset. The Debtors will hold such Auctions on July 31, 2012 at 10:00 a.m. (Prevailing Eastern Time), if no Stalking Horse Purchaser has been chosen, or August 21, 2012 at 10:00 a.m. (Prevailing Eastern Time), if a Stalking Horse Purchaser has been chosen, in each case at the offices of Willkie Farr & Gallagher LLP, co-counsel to the Debtors, at 787 Seventh Avenue, New York, New York, or at such other place, date and time as may be designated to the Auction Notice Parties (as defined below) in writing by the Debtors, for consideration of the Qualified Bids, each as may be increased at such Auction.

The Auction may be adjourned as to any or all of the Purchased Assets as the Debtors deem appropriate. Reasonable notice of such adjournment and the time and place for resumption of the Auction shall be given to the Auction Notice Parties.

The Auctions shall run in accordance with the following procedures:

(a) Only the Debtors, the Notice Parties, proper representatives and members of statutorily appointed committees, the Debtors' creditors who have notified the Debtors in advance of their interest in attending the Auction or other constituents permitted in advance by the Debtors, and any Qualified Bidder that has timely submitted a Qualified Bid with respect to the assets subject to the Auction (collectively, the "**Auction Notice Parties**"), and the respective counsel, financial advisors and other representatives, of any of the foregoing, shall attend the Auction in person.

(b) Only the Qualified Bidders will be entitled to make any subsequent bids at the Auction of their respective Purchased Asset.

(c) Each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the sale by the Debtors of the Purchased Assets.

(d) At least two (2) Business Days prior to the Auction, each Qualified Bidder who has timely submitted a Qualified Bid must inform the Debtors whether it intends to attend the Auction; provided that in the event a Qualified Bidder elects not to attend the Auction, such Qualified Bidder's Qualified Bid shall nevertheless remain fully enforceable against such Qualified Bidder until the date of the selection of the Successful Bidder. At least one (1) Business Day prior to each Auction, the Debtors will provide notice of the Qualified Bid which the Debtors believe, in their reasonable business judgment, is the highest or otherwise best

offer (the “**Starting Bid**”) to the Notice Parties, and all other Qualified Bidders that have informed the Debtors of their intent to participate in the Auction.

(e) All Qualified Bidders who have timely submitted Qualified Bids for a Purchased Asset will be entitled to be present for all Subsequent Bids (as defined below) at the Auction for such Purchased Asset with the understanding that the true identity of each Qualified Bidder at the Auction will be fully disclosed to all other Qualified Bidders at the Auction and that all material terms of each Subsequent Bid will be fully disclosed to all other bidders throughout the entire Auction; provided that all Qualified Bidders wishing to attend the Auction must have at least one individual representative with authority to bind such Qualified Bidder attending the Auction in person. All proceedings at the Auction shall be conducted before and transcribed by a court stenographer or videotaped.

(f) The Debtors, following consultation with the Senior Prepetition and DIP Agents and the Committee, may employ and announce at each Auction additional procedural rules that are reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids) for conducting the Auction, provided that such rules are (i) not inconsistent with these Bidding Procedures, the Bankruptcy Code, or any order of the Bankruptcy Court or any other applicable court entered in connection herewith, and (ii) disclosed to each Qualified Bidder at the Auction.

(g) The Debtors may combine the Auction of a Purchased Asset with the Auction(s) of one or more other Purchased Assets (a “**Combined Auction**”), in any combination decided by the Debtors in their reasonable business judgment, in consultation with the Senior Prepetition and DIP Agents and the Committee. The rules set forth in these Bidding Procedures for an Auction shall apply to any such Combined Auction. For the purposes of conducting rounds of bidding in such Combined Auction (but not for the purposes of consummating Sales as bids submitted by multiple bidders shall remain separate and independent), the Debtors, in consultation with the Senior Prepetition and DIP Agents and the Committee, shall consider multiple Qualified Bids for separate Purchased Assets such that, if taken together in the aggregate, such bids would otherwise meet the standards for a single Qualified Bid with respect to the relevant Purchased Assets. At or before the Auction, the Debtors will provide notice (including oral notice) of whether a Combined Auction shall be conducted with respect to more than one Purchased Asset to the Qualified Bidders for such Purchased Assets.

(h) Bidding at each Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by a Qualified Bidder that (i) improves upon such Qualified Bidder’s immediately prior Qualified Bid (a “**Subsequent Bid**”) and (ii) the Debtors determine, in consultation with the Senior Prepetition and DIP Agents and the Committee, that such Subsequent Bid is (A) for the first round, a higher or otherwise better offer than the Starting Bid, and (B) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below). Each incremental bid at the Auction shall provide net value to the estate of at least the Minimum Bid Increment (as defined with respect to each Purchased Asset below) over the Starting Bid or the Leading Bid, as the case may be; provided, however, that if the Starting Bid is the Qualified Bid of a Stalking Horse Bidder which has been provided with an overbid protection, such Minimum Bid Increment over the Starting Bid shall be at least equal to the amount required by such Stalking Horse Bidder’s overbid protection. After the first round of bidding and between each subsequent

round of bidding, the Debtors shall announce the bid that it believes to be the highest or otherwise better offer (the "**Leading Bid**"). A round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid. Except as specifically set forth herein, for the purpose of evaluating the value of the consideration provided by Starting Bid or Subsequent Bids (including any Subsequent Bid by any Stalking Horse Bidder), the Debtors will, at each round of bidding, give effect to (a) any Bid Protections that may be payable to a Stalking Horse Bidder, (b) any additional liabilities to be assumed by a Qualified Bidder and (c) any additional costs which may be imposed on the Debtors by such Qualified Bid.

(i) The "**Minimum Bid Increment**" shall mean the amount that is one-half (0.5%) to one and one-half (1.5%) of the Starting Bid, as determined by the Debtors, in the exercise of their reasonable business judgment in consultation with the Senior Prepetition and DIP Agents and the Committee.

## **XII. The Successful Bid and Back-Up Bid**

Promptly after the conclusion of each Auction, the Debtors shall, in consultation with the Senior Prepetition and DIP Agents and the Committee (a) determine, consistent with the Bidding Procedures, which bid constitutes highest or best bid (such bid, the "**Successful Bid**") for each of the Purchased Assets, and (b) communicate to the Qualified Bidder making the Successful Bid (the "**Successful Bidder**") and the other Qualified Bidders the identity of the Successful Bidder and the details of the Successful Bid. At such time, the Debtors shall, in consultation with the Senior Prepetition and DIP Agents and the Committee, also determine which bid constitutes the second highest or best bid (such bid, the "**Back-Up Bid**") and communicate to the Qualified Bidder making the Back-Up Bid (the "**Back-Up Bidder**"), the Successful Bidder and the other Qualified Bidders the identity of the Back-Up Bidder and the details of the Back-Up Bid. If only one Qualified Bid is received with respect to a Purchased Asset, there shall be no Auction for such Purchased Asset, and such Qualified Bid shall be designated as the Successful Bid unless such Qualified Bid is subject to a Combination Condition that has not been satisfied. In connection with determining the Successful Bid for any Purchased Asset, the Debtors shall consider any Combination Condition, and may, but shall not be required, to request a Qualified Bidder revoke any Combination Condition relating to such Purchased Asset. The determination of the Successful Bid and the Back-Up Bid by the Debtors, in consultation with the Senior Prepetition and DIP Agents and Committee, shall be final subject to approval by the Bankruptcy Court. The Debtors shall be deemed to have accepted a Qualified Bid only when (i) such bid is declared the Successful Bid; (ii) definitive documentation has been executed in respect thereof; and (iii) the Court has entered an order approving such Successful Bid.

Following entry of the Sale Order, if the Successful Bidder fails to consummate the Sale because of a breach or failure to perform on the part of the Successful Bidder, the Back-Up Bidder will be deemed to have the new Successful Bid, and the Debtors will be authorized, but not required, to consummate the Sale with the Back-Up Bidder without further order of the Court.

### **XIII. The Sale Hearing**

The Successful Bid will be presented to the Bankruptcy Court for approval at the Sale Hearing. The Debtors will seek the entry of an order, modified as necessary to reflect the terms of the Successful Bid, authorizing and approving the sale of the applicable Purchased Assets to the Successful Bidder. The Sale Hearing may be adjourned or rescheduled without notice, other than by an announcement of such adjournment at the Sale Hearing.

Unless the Bankruptcy Court orders otherwise, the Sale Hearing shall be an evidentiary hearing on all matters relating to the proposed sale, and parties shall be prepared to present their evidence in support of or in opposition to the proposed sale at the Sale Hearing; provided, however, that issues relating to the assumption and assignment of executory contracts and unexpired leases may be addressed at separate hearings before the Bankruptcy Court.

### **XIV. “As Is, Where Is”**

The Sale Transaction shall be on an “as is, where is” basis and without representations or warranties of any kind, nature or description by the Debtors, their agents or their estates, except to the extent expressly set forth in the Purchase Agreement or the Marked Agreement corresponding to the Successful Bid, as the case may be. Except as otherwise provided in the Successful Bid or such other bid that may ultimately be consummated in the sale of the Purchased Assets, all of the Debtors' right, title and interest in and to the Purchased Assets shall be sold free and clear all liens, claims (as such term is defined by section 101(5) of the Bankruptcy Code), encumbrances, rights, remedies, restrictions, interests, liabilities, leasehold interests and contractual commitments of any kind or nature whatsoever, whether arising before or after the Petition Date, whether at law or in equity, including all rights or claims based on any successor or transferee liability, all environmental claims, all change in control provisions, all rights to object or consent to the effectiveness of the transfer of the Purchased Assets to the Purchasers, all as more specifically set forth and defined in the Sale Motion and the proposed order approving the Sale Transaction (the “**Claims**”), and as set forth in the Purchase Agreement and the Sale Order, with such Claims to attach to the net proceeds of the sale with the same validity and priority as such Claims applied against the Purchased Assets.

Notwithstanding the foregoing, the Debtors reserve the right to contest the validity, nature, extent or priority of and/or seek to set aside or avoid any and all Claims under applicable law.

### **XV. Return of Deposits**

A Deposit submitted by the Back-Up Bidder will be held by the Debtors until forty eight (48) hours after the Back-Up Bid has been terminated in accordance with the Bidding Procedures. As to all other bidders (except the Successful Bidder(s)), Deposits will be returned promptly after conclusion of the Sale Hearing. If the Successful Bidder(s) or the Back-Up Bidder fails to consummate an approved sale because of a breach or failure to perform on the part of the Successful Bidder(s) or the Back-Up Bidder, the Debtors shall be entitled to retain the Deposit in partial satisfaction of any damages resulting from the breach or failure to perform by the Successful Bidder(s) or the Back-Up Bidder, without prejudice to any other rights the Debtors may have. The Debtors may, in consultation with the Senior Prepetition and DIP

Agents and the Committee, credit the Deposit of the Successful Bidder(s) or the Back-Up Bidder towards the purchase price on the closing of the sale of the Purchased Assets.

**XVI. Reservation of Rights**

Except as otherwise provided in the Bidding Procedures Order, and subject to the right, if any, of the Credit Bidding Parties to Credit Bid and the classification of any such Credit Bid as a Qualified Bid and a Credit Bidding Party as a Qualified Bidder for all purposes, the Debtors (in consultation with the Senior Prepetition and DIP Agents and the Committee as further set forth herein) reserve the right as they may determine in the reasonable exercise of their business judgment to be in the best interests of their estates, to: (i) determine which bidders are Potential Bidders or Qualified Bidders; (ii) determine which bids are Qualified Bids; (iii) determine which Qualified Bid is the highest or best proposal and which is the next highest or best proposal; (iv) with the consent of the Committee, reject any bid that is (a) inadequate or insufficient, (b) not in conformity with the requirements of the Bidding Procedures or the requirements of the Bankruptcy Code, or (c) contrary to the best interests of the Debtors and their estates; (v) remove some of the Purchased Assets from the Auction; (vi) waive terms and conditions set forth herein with respect to all Potential Bidders; (vii) with the consent of the Committee, impose additional terms and conditions with respect to all Potential Bidders; (viii) extend the deadlines set forth herein; (ix) with the consent of the Committee, adjourn or cancel the Auction and/or Sale Hearing in open court without further notice; and (x) modify the Bidding Procedures as the Debtors may determine to be in the best interests of their estates or to withdraw the Motion at any time with or without prejudice.

Wherever the Debtors are required by the Bidding Procedures to consult with the Committee with respect to any decision, the Committee may move for an order finding that a different decision is in the best interests of the Debtors' estates on two (2) business days' notice.

**SCHEDULE 2**

**Form of Notice of Auction and Sale Hearing**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

----- X  
In re: : Chapter 11  
: :  
: : Case No. 12-11661 (KJC)  
: :  
: : Jointly Administered  
: : Re: Docket Nos. [93, ]  
: :  
: : Auction: July 31, 2012 at 10:00 a.m. (if no Stalking Horse Purchaser  
WP Steel Venture LLC, et al.,<sup>1</sup> : Chosen)  
: Auction: August 21, 2012 at 10:00 a.m. (if Stalking Horse Purchaser  
Debtors. : Chosen)  
: Sale Objection Deadline: \_\_\_\_\_, 2012 at \_\_\_\_\_ .m. (if no  
: Stalking Horse Purchaser Chosen)  
: Sale Objection Deadline: \_\_\_\_\_, 2012 at \_\_\_\_\_ .m. (if Stalking  
: Horse Purchaser Chosen)  
: Sale Hearing: \_\_\_\_\_, 2012 at \_\_\_\_\_ .m. (if no Stalking Horse  
: Purchaser Chosen)  
: Sale Hearing: \_\_\_\_\_, 2012 at \_\_\_\_\_ .m. (if Stalking Horse  
: Purchaser Chosen)  
----- X

**NOTICE OF AUCTION AND SALE HEARING**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

1. On June 4, 2012, the debtors in the above-captioned cases (collectively, the “**Debtors**”) filed a motion [Docket No. 93] (the “**Motion**”) <sup>2</sup> for entry of an order (the “**Bidding Procedures Order**”), among other things: (a) approving procedures (the “**Bidding Procedures**”) for the solicitation and consideration of competing offers for the sale(s) (each, a “**Sale**”) of substantially all of the Debtors’ assets, including the Sparrows Point Assets, Warren Assets, Wheeling Corrugating Assets and the Remaining Wheeling Assets (each, a “**Purchased Asset**,” and collectively, the “**Purchased Assets**”), including (i) procedures for submitting bids for any or all of the Purchased Assets, and (ii) conducting an auction (the “**Auction**”) with respect to any Purchased Asset on which the Debtors receive more than one bid; (b) authorizing, subject to further Court approval, the Debtors to enter into one or more Stalking Horse Agreements with one or more Stalking Horse Bidders, subject to higher and better offers and containing terms and conditions, including expense reimbursement and/or overbid protections; (c) scheduling the Auction for the Purchased Assets; (d) scheduling a hearing to approve any Sale of the Purchased Assets (the “**Sale Hearing**”) and setting objection and

<sup>1</sup> If applicable, the last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) WP Steel Venture LLC (7095); (ii) Metal Centers LLC; (iii) RG Steel, LLC (1806); (iv) RG Steel Railroad Holding, LLC (4154); (v) RG Steel Sparrows Point, LLC (3633); (vi) RG Steel Warren, LLC (0253); (vii) RG Steel Wheeling, LLC (3273); and (viii) RG Steel Wheeling Steel Group, LLC (9927). The Debtors’ executive headquarters are located at 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219.

<sup>2</sup> Unless otherwise defined herein, capitalized terms have the meaning ascribed to them in the Motion.



bidding deadlines with respect to the Sale; (e) approving procedures for the assumption, assignment and/or transfer of certain executory contracts and unexpired leases; (f) approving the form and manner of related notices; and (g) granting related relief. The Motion additionally requests entry of an order or orders: (i) authorizing the Sale(s) of the Purchased Assets free and clear of liens, claims, encumbrances, and interests to one or more Successful Bidders; (ii) approving the assumption and assignment of executory contracts and unexpired leases; (iii) waiving the requirements of Bankruptcy Rules 6004(g) and 6006(d); and (iv) granting related relief.

2. The Debtors are seeking to sell the Purchased Assets to one or more Successful Bidders. Approval of the Sale(s) of Purchased Assets to a Successful Bidder may result in, among other things, the assumption, assignment and/or transfer by the Debtors of certain executory contracts and unexpired leases. If you are a party to an executory contract or unexpired lease with the Debtors, you will receive a separate notice that contains relevant dates and other information that may impact you as a party to an executory contract or unexpired lease.

3. At any time on or prior to July 30, 2012, the Debtors, with the reasonable consent of the Senior Prepetition and DIP Agents and the Committee, may, with respect to each Purchased Asset for which a Stalking Horse Bidder has not been approved by the Bankruptcy Court, enter into a purchase agreement (each, a "**Stalking Horse Agreement**"), subject to higher and better offers at the Auction, with a bidder that submits a Qualified Bid with respect to such Purchased Asset (each, a "**Stalking Horse Bidder**") to establish a minimum Qualified Bid for such Purchased Asset at the Auction. The Stalking Horse Agreement may, with the reasonable consent of the Senior Prepetition and DIP Agents and the Committee, contain customary terms and conditions providing the Stalking Horse Bidder with certain bid protections including, but not limited to, reasonable expense reimbursement and overbid protections (collectively, the "**Bid Protections**").

4. Promptly after entering into a Stalking Horse Agreement, the Debtors will distribute such agreement to the parties submitting other Qualified Bids for the respective Purchased Asset. If the Debtors enter into any such Stalking Horse Agreement(s), (a) on or before the Participation Deadline, the agreement(s) shall be placed on the Bankruptcy Court docket and notice thereof shall be given to all parties who received notice of the Bidding Procedures Motion, all parties on the Debtors' 2002 Notice list and all Potential Bidders; and (b) the Court shall conduct a hearing on a date that is two (2) or more business days thereafter, subject to the Bankruptcy Court's availability to consider approval of the proposed Bid Protections. The Bid Protections hearing may be adjourned or rescheduled without notice other than as stated on the record in court or in an appropriate agenda letter.

5. On [ \_\_\_\_\_ ], the United States Bankruptcy Court for the District of Delaware entered the Bidding Procedures Order. Pursuant to the Bidding Procedures Order, if the Debtors receive any Qualified Bids (as defined in the Bidding Procedures), the Auction for the Purchased Assets that are the subject of a Qualified Bid shall be held on **July 31, 2012 at 10:00 a.m. (Prevailing Eastern Time)**, if no Stalking Horse Purchaser has been chosen, or **August 21, 2012 at 10:00 a.m. (Prevailing Eastern Time)**, if a Stalking Horse Purchaser has been chosen, in each case at the offices of Willkie Farr & Gallagher LLP, co-counsel to the Debtors, at 787 Seventh Avenue, New York, New York, or at such other place, date and time as

may be designated in writing by the Debtors. Only parties that have submitted a Qualified Bid in accordance with the Bidding Procedures, attached to the Bidding Procedures Order as Schedule 1, by no later than **July 25, 2012, at 12:00 noon. (prevailing Eastern Time)** (the “**Bid Deadline**”) may participate at the Auction. Any party that wishes to take part in this process and submit a bid for any Purchased Asset must submit their competing bid prior to the Bid Deadline and in accordance with the Bidding Procedures.

6. The Sale Hearing to consider approval of any sale of the Purchased Assets to a Stalking Horse Purchaser or such other Successful Bidder free and clear of all liens, claims, and encumbrances will be held before the Honorable Kevin J. Carey, United States Bankruptcy Judge, 824 North Market Street, Wilmington, Delaware 19801, Courtroom #5 on [\_\_\_\_], **2012, at \_\_\_\_\_.m. (prevailing Eastern Time)**, if no Stalking Horse Purchaser is chosen, or on [\_\_\_\_] **2012, at \_\_\_\_\_.m. (prevailing Eastern Time)**, if a Stalking Horse Purchaser is chosen, or at such other time thereafter as counsel may be heard. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

7. Objections, if any, to the sale of the Purchased Assets, or the relief requested in the Motion (other than with respect to cure amounts and adequate assurance which are subject to a separate notice) must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) be filed with the clerk of the United States Bankruptcy Court for the District of Delaware, Third Floor, 824 Market Street, Wilmington, Delaware 19801, on or before **4:00 p.m. (prevailing Eastern Time) on (i) [\_\_\_\_], 2012**, if no Stalking Horse Purchaser is chosen, or **(ii) [\_\_\_\_] 2012**, if a Stalking Horse Purchaser is chosen, or such later date and time as the Debtors may agree; and (d) be served, so as to be received no later than 4:00 p.m. (prevailing Eastern Time) on the same day, upon: (i) the Debtors, RG Steel, LLC, 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219 (Attn: V. John Goodwin and Richard D. Caruso); (ii) co-counsel to the Debtors, (a) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019-6099 (Attn: Matthew Feldman, Esq., Shaunna Jones, Esq. and Weston T. Eguchi, Esq.) and (b) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P. O. Box 1347, Wilmington, DE 19899-1347 (Attn: Robert J. Dehney, Esq. and Erin R. Fay, Esq.); (iii) investment bankers to the Debtors, Sea Port Group Securities, LLC, 360 Madison Avenue, 23<sup>rd</sup> Floor, New York, NY 10017 (Attn: James Tumulty and Edward Siegel); (iv) financial advisors to the Debtors, Conway MacKenzie, Inc., 600 Fifth Avenue, 25<sup>th</sup> Floor, New York, NY 10020 (Attn: Donald MacKenzie and Michael S. Correra); (v) counsel to Wells Fargo Capital Finance, LLC, Senior Prepetition and DIP Agents and counsel to General Electric Capital Corporation, as Senior Prepetition and DIP Agents (a) Otterbourg, Steindler, Houston & Rosen, P.C., 230 Park Avenue, New York, NY 10169-0075 (Attn: Jonathan N. Helfat, Esq. and Daniel F. Fiorillo, Esq.) and (b) Paul Hastings LLP, 600 Peachtree Street, N.E., 24<sup>th</sup> Floor, Atlanta, GA 30308 (Attn: Jesse H. Austin, III, Esq.); (vi) financial advisor to the Senior Prepetition and DIP Agents, Carl Marks Advisory Group LLC, 900 Third Avenue, 33<sup>rd</sup> Floor, New York, NY 10022-4775 (Attn: Marc L. Pfefferle); (vii) counsel to Cerberus Business Finance, LLC, as Junior Prepetition Credit Agent, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, NY 10022 (Attn: Adam C. Harris, Esq.); (viii) counsel to The Renco Group, Inc., Cadwalader Wickersham & Taft LLP, One World Financial Center, New York, NY 10281 (Attn: Peter M. Friedman, Esq. and Michael C. Ryan, Esq.); (ix) counsel to the official committee of unsecured creditors, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036

(Attn: Thomas Moers Mayer, Esq. and Joshua Brody, Esq.); and (x) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Mark Kenney, Esq.) (collectively, the “**Objection Notice Parties**”).

**8. All objections must state with specificity the nature of such objection and will be heard by the Court at the Sale Hearing. UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER HEARING AND NOTICE.**

This Notice and the Sale Hearing are subject to the fuller terms and conditions of the Bidding Procedures Order and the Bidding Procedures, which shall control in the event of any conflict. The Debtors encourage parties-in-interest to review such documents in their entirety. Parties interested in receiving more information regarding the sale of the Purchased Assets or to obtain a copy of any related document, subject to any necessary confidentiality agreement, may make a written request to Sea Port Group Securities, LLC, 360 Madison Avenue, 23<sup>rd</sup> Floor, New York, NY 10017 (Attn: James Tumulty) (jtumulty@theseaportgroup.com), investment bankers to the Debtors. In addition, copies of the Motion, the Bidding Procedures Order and this Notice can be found on (a) the Court’s website, [www.deb.uscourts.gov](http://www.deb.uscourts.gov); and (b) <http://www.kccllc.net/RGSteel>, and are on file with the Clerk of the Bankruptcy Court, Third Floor, 824 Market Street, Wilmington, Delaware 19801.

Dated: Wilmington, Delaware  
June \_\_, 2012

MORRIS, NICHOLS, ARSHT & TUNNELL LLP  
Robert J. Dehney (No. 3578)  
Erin R. Fay (No. 5268)  
1201 North Market Street  
P. O. Box 1347  
Wilmington, DE 19899-1347  
(302) 658-9200

-and-

WILLKIE FARR & GALLAGHER LLP  
Matthew A. Feldman  
Shaunna D. Jones  
Weston T. Eguchi  
787 Seventh Avenue  
New York, New York 10019  
(212) 728-8000  
(212) 728-8111 (Fax)

*Co-Counsel to the Debtors and  
Debtors in Possession*

**SCHEDULE 3**

**Form of Notice of Assumption and Assignment**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

----- X  
In re: : Chapter 11  
: :  
WP Steel Venture LLC, et al.,<sup>1</sup> : Case No. 12-11661 (KJC)  
: :  
Debtors. : Jointly Administered  
: Re: Docket Nos. [93, ]  
: :  
: Assumption Objection Deadline: \_\_\_\_\_, 2012 at \_\_\_\_\_ .m.  
: :  
----- X

**NOTICE OF ASSUMPTION, ASSIGNMENT AND/OR TRANSFER  
OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

1. On [ \_\_\_\_\_ ], 2012, the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) entered an order (the “**Bidding Procedures Order**”), pursuant to sections 105(a), 363, 365, 503 and 507 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure and Rule 6004-1 of the Local Rule of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware in the chapter 11 cases of the above-captioned debtors and debtors in possession (the “**Debtors**”) approving the Debtors’ motion, dated June 4, 2012 [Docket No. 93] (the “**Motion**”) <sup>2</sup> requesting, among other things, the fixing of prepetition cure amounts (the “**Cure Amounts**”) related to the Debtors’ assumption, assignment and/or transfer of certain executory contracts, unexpired leases, and other agreements (the “**Executory Contracts and Unexpired Leases**”) listed on Exhibit A annexed hereto in connection with the sale(s) of substantially all of the Debtors’ assets, comprised of the Sparrows Point Assets, Warren Assets, Wheeling Corrugating Assets and the Remaining Wheeling Assets (each, a “**Purchased Asset**,” and collectively, the “**Purchased Assets**”). Subject to the terms of the Bidding Procedures Order, the Debtors will seek to assume, assign, and/or transfer the Executory Contracts and Unexpired Leases to the Successful Bidder(s) of the Purchased Asset(s) (each, a “**Purchaser**” and collectively, the “**Purchasers**”).

<sup>1</sup> If applicable, the last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) WP Steel Venture LLC (7095); (ii) Metal Centers LLC; (iii) RG Steel, LLC (1806); (iv) RG Steel Railroad Holding, LLC (4154); (v) RG Steel Sparrows Point, LLC (3633); (vi) RG Steel Warren, LLC (0253); (vii) RG Steel Wheeling, LLC (3273); and (viii) RG Steel Wheeling Steel Group, LLC (9927). The Debtors’ executive headquarters’ address is 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219.

<sup>2</sup> Unless otherwise defined herein, capitalized terms have the meaning ascribed to them in the Motion.

2. The Debtors believe that any and all prepetition defaults and actual pecuniary losses under the Executory Contracts and Unexpired Leases as of the date of this notice (the "**Cure Date**") that are required to be cured under section 365(b)(i)(A) of the Bankruptcy Code can be cured by the payment of the Cure Amounts listed on Exhibit A annexed hereto.

3. Any objections to (i) the assumption, assignment and/or transfer of an Executory Contract and Unexpired Lease, or (ii) the amount asserted as the applicable Cure Amount (each, a "**Cure Amount/Assignment Objection**"), must be in writing and set forth with specificity the nature of the objection and the cure amount being claimed by the objecting party (the "**Claimed Cure Amount**") with appropriate documentation in support thereof.

4. To be considered a timely Cure Amount/Assignment Objection, the Cure Amount/Assignment Objection must be filed with the Bankruptcy Court and served upon (i) the Debtors, RG Steel, LLC, 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219 (Attn: V. John Goodwin and Richard D. Caruso); (ii) co-counsel to the Debtors, (a) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019-6099 (Attn: Shaunna Jones, Esq. and Weston T. Eguchi, Esq.) and (b) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P. O. Box 1347, Wilmington, DE 19899-1347 (Attn: Robert J. Dehney, Esq. and Erin R. Fay, Esq.); (iii) investment bankers to the Debtors, Sea Port Group Securities, LLC, 360 Madison Avenue, 23<sup>rd</sup> Floor, New York, NY 10017 (Attn: James Tumulty and Edward Siegel); (iv) financial advisors to the Debtors, Conway MacKenzie, Inc., 600 Fifth Avenue, 25<sup>th</sup> Floor, New York, NY 10020 (Attn: Donald MacKenzie and Michael S. Correra); (v) counsel to Wells Fargo Capital Finance, LLC and counsel to General Electric Capital Corporation, as Senior Prepetition Agents (a) Otterbourg, Steindler, Houston & Rosen, P.C., 230 Park Avenue, New York, NY 10169-0075 (Attn: Jonathan N. Helfat, Esq. and Daniel F. Fiorillo, Esq.) and (b) Paul Hastings LLP, 600 Peachtree Street, N.E., 24<sup>th</sup> Floor, Atlanta, GA 30308 (Attn: Jesse H. Austin, III, Esq.); (vi) financial advisor to the Senior Prepetition Agents, Carl Marks Advisory Group LLC, 900 Third Avenue, 33<sup>rd</sup> Floor, New York, NY 10022-4775 (Attn: Marc L. Pfefferle); (vii) counsel to Cerberus Business Finance, LLC, as Junior Prepetition Agent, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, NY 10022 (Attn: Adam C. Harris, Esq.); (viii) counsel to The Renco Group, Inc., Cadwalader Wickersham & Taft LLP, One World Financial Center, New York, NY 10281 (Attn: Peter M. Friedman, Esq. and Michael C. Ryan, Esq.); (ix) counsel to the official committee of unsecured creditors, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Thomas Moers Mayer, Esq. and Joshua Brody, Esq.); and (x) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Mark Kenney, Esq.), **by 4:00 p.m. (prevailing Eastern Time) on \_\_\_\_\_.**

5. If a Cure Amount/Assignment Objection is timely filed, a hearing with respect to that objection shall be held before the Honorable Kevin J. Carey, United States Bankruptcy Judge, United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801, Courtroom #5 on [\_\_\_\_], 2012, at \_\_\_\_\_.m. (prevailing Eastern Time), if no Stalking Horse Purchaser is chosen, or on [\_\_\_\_]2012, at \_\_\_\_\_.m. (prevailing Eastern Time), if a Stalking Horse Purchaser is chosen, or such other date and time as the Debtors may schedule with the Court. The hearing regarding the Cure Amounts or disputed Claimed Cure Amounts, if any, for any Executory

Contract or Unexpired Lease may be adjourned from time to time without further notice to parties in interest other than by announcement in open court on the date scheduled for the hearing.

6. **All objections must state with specificity the nature of such objection, including the Claimed Cure Amount. UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND THE BANKRUTPCY COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION (INCLUDING APPROVING THE ASSUMPTION, ASSIGNMENT AND/OR TRANSFSER OF THE APPLICABLE EXECUTORY CONTRACT OR UNEXPIRED LEASE) WITHOUT FURTHER HEARING AND NOTICE.**

7. Parties that fail to file and serve timely Cure Amount/Assignment Objections shall be deemed to have waived and released any and all rights to assert against the Debtor or any Purchaser prepetition cure amounts different from the Cure Amounts listed on **Exhibit A** hereto and (i) shall be forever barred from objecting to the Cure Amount and from asserting any additional prepetition cure or other prepetition amounts with respect to such Executory Contract and Unexpired Lease and the Debtors shall be entitled to rely solely upon the Cure Amount, and (ii) if the Executory Contract or Unexpired Lease was identified as to be assumed, assigned and/or transferred by the Successful Bidder, shall be deemed to have consented to the assumption, assignment and/or transfer of such Executory Contract and Unexpired Lease and shall be forever barred and estopped from asserting or claiming against the Debtors, the Successful Bidder or any other assignee of the relevant Executory Contract or Unexpired Lease that any additional prepetition amounts are due or prepetition defaults exist, or conditions to assumption, assignment, and/or transfer must be satisfied, under such Executory Contract or Unexpired Lease as of the Cure Date. Nothing herein shall be deemed to prejudice or bar a non-Debtor party's claim for any unpaid cure amounts under an Executory Contract or Unexpired Lease relating to the period from the Cure Date to the effective date of assignment of such Executory Contract or Unexpired Lease.

8. The Debtors or any Purchaser, as the case may be, may determine to exclude any Executory Contract or Unexpired Lease from the list of Purchased Assets no later than one (1) business day before the Sale Order is entered.

9. If no Cure Amounts are due under an Executory Contract or Unexpired Lease, and the non-Debtor party to the Executory Contract or Unexpired Lease does not otherwise object to the Debtors' assumption, assignment and/or transfer of the Executory Contract or Unexpired Lease, no further action need be taken on the part of that non-Debtor party.

10. Upon receipt of an objection to a Cure Amount, the Debtors or the Purchaser, as the case may be, may, in their sole discretion, hold an amount equal to the Claimed Cure Amount (or such other amount as the Court may order) in reserve pending further order of the Court or agreement between the Debtors, the Purchaser and the objecting party. If the Claimed Cure Amount is held in reserve, the Debtors may assume, assign and/or transfer the Executory Contract or Unexpired Lease that is the subject of an objection without further delay.

Upon assumption and assignment of such Executory Contract or Unexpired Lease, the objecting party's recourse with respect to the prepetition Cure Amounts will be limited to the funds held in reserve.

11. Copies of the Bidding Procedures Order and other relevant documents are posted on: (a) the Court's website, [www.deb.uscourts.gov](http://www.deb.uscourts.gov); and (b) <http://www.kccllc.net/RGSteel>, and are on file with the Clerk of the Bankruptcy Court, Third Floor, 824 Market Street, Wilmington, Delaware 19801.

12. The Debtors' decision to sell, assign and/or transfer to any Purchaser the Executory Contracts and Unexpired Leases is subject to Court approval and the Closing. Accordingly, prior to and/or absent such Closing, any of the Executory Contracts and Unexpired Leases shall not be deemed to be sold, assigned and/or transferred, and shall in all respects be subject to further administration under the Bankruptcy Code. The inclusion of any document on the list of Executory Contracts and Unexpired Leases shall not constitute or be deemed to be a determination or admission by the Debtors or any Purchaser that such document is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code (all rights with respect thereto being expressly reserved).

Dated: Wilmington, Delaware  
June \_\_, 2012

MORRIS, NICHOLS, ARSHT & TUNNELL LLP  
Robert J. Dehney (No. 3578)  
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-and-

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Shaunna D. Jones  
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787 Seventh Avenue  
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(212) 728-8111 (Fax)

*Co-Counsel to the Debtors and  
Debtors in Possession*



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

-----X  
In re : Chapter 11  
: :  
WP Steel Venture LLC, et al.,<sup>1</sup> : Case No. 12-11661 (KJC)  
: :  
Debtors. : (Jointly Administered)  
: :  
: **RE: D.I. 93**  
-----X

**CERTIFICATION OF COUNSEL REGARDING ORDER: (I) APPROVING BIDDING PROCEDURES IN CONNECTION WITH SALE(S) OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS; (II) SCHEDULING HEARING TO CONSIDER SALE; (III) APPROVING FORM AND MANNER OF NOTICE THEREOF; (IV) AUTHORIZING ENTRY INTO STALKING HORSE AGREEMENTS SUBJECT TO FURTHER HEARING; AND (V) GRANTING RELATED RELIEF**

The undersigned hereby certifies as follows:

1. On June 4, 2012, the above-captioned debtors and debtors in possession (the "Debtors") filed the *Debtors' Motion for Orders: (A)(I) Approving Bidding Procedures in Connection with Sale(s) of Substantially all of the Debtors' Assets; (II) Scheduling Hearing to Consider Sale; (III) Approving Form and Manner of Notice Thereof; and (IV) Authorizing Entry into Stalking Horse Agreements Subject to Further Hearing; (B)(I) Authorizing and Approving Sale of Assets Free and Clear of Liens, Claims, Encumbrances, and Interests; and (II) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases; and (C) Granting Related Relief*[D.I. 93] (the "Bid Procedures Motion").

2. Following the filing of the Bid Procedures Motion, certain objections and/or responses to the relief requested in the Bid Procedures Motion were filed. *See* D.I. 187, 195, 197, 207, 208, 211, 213, 219, 220, 222, 230, 239, 242, 256, 281, 310, 315, 321,

<sup>1</sup> If applicable, the last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) WP Steel Venture LLC (7095); (ii) Metal Centers LLC; (iii) RG Steel, LLC (1806); (iv) RG Steel Railroad Holding, LLC (4154); (v) RG Steel Sparrows Point, LLC (3633); (vi) RG Steel Warren, LLC (0253); (vii) RG Steel Wheeling, LLC (3273); and (viii) RG Steel Wheeling Steel Group, LLC (9927). The Debtors' executive headquarters' address is 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219.

and 330. The Office of the United States Trustee (the "U.S. Trustee") provided the Debtors with informal comments to the Bid Procedures Motion.

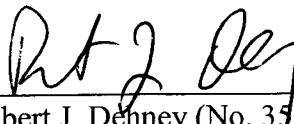
3. On June 21, 2012, the Court convened a hearing to consider approval of the Bid Procedures Motion (the "Hearing"). Following the Hearing, the Debtors circulated a revised form of order approving this Bid Procedures Motion (the "Revised Order") to counsel for the U.S. Trustee, The Renco Group, Inc., PBGC, the Official Committee of Unsecured Creditors, Second Lien Lenders, and the DIP Lenders (collectively, the "Parties-in-Interest"). The Parties-in-Interest have reviewed the Revised Order and have no objection to the Court's approval of the Revised Order.

4. Attached hereto as **Exhibit A**, is the Revised Order. Attached hereto as **Exhibit B** is a blackline comparison of the Revised Order to the version described to the Court at the Hearing.

WHEREFORE, the Debtors respectfully request that the Court enter the attached Revised Order and grant such other and further relief as is just and proper.

Dated: June 21, 2012  
Wilmington, Delaware

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