

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:) Chapter 11
) Case No. 15-35358
LB STEEL, LLC,)
) Honorable Janet S. Baer
Debtor.)

NOTICE OF MOTION

PLEASE TAKE NOTICE that on **November 9, 2015 at 10:00 a.m.**, the undersigned shall appear before the Honorable Janet S. Baer, or any judge sitting in her stead, in Courtroom 615 of the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois, and then and there present *Debtor's Motion For Orders: (A)(I) Approving Bidding Procedures in Connection With the Sale of All Or Substantially All Assets of the Debtor, (II) Scheduling an Auction and Hearing to Consider the Sale of Assets, and (III) Approving the Form and Manner of Notice of the Sale; and (B)(I) Authorizing and Approving the Sale of Assets Free and Clear of Liens, Claims, Encumbrances, and Interests, and (II) Authorizing and Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (C) Granting Related Relief*, at which time you may appear.

Dated: November 2, 2015

Respectfully submitted,

LB STEEL, LLC,

By: /s/ Daniel A. Zazove

PERKINS COIE LLP

Daniel A. Zazove

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Proposed Attorneys for the Debtor

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In re:) Chapter 11
) Case No. 15-35358
LB STEEL, LLC,)
) Honorable Janet S. Baer
Debtor.)

DEBTOR’S MOTION FOR ORDERS: (A)(I) APPROVING BIDDING PROCEDURES IN CONNECTION WITH THE SALE OF ALL OR SUBSTANTIALLY ALL ASSETS OF THE DEBTOR, (II) SCHEDULING AN AUCTION AND HEARING TO CONSIDER THE SALE OF ASSETS, AND (III) APPROVING THE FORM AND MANNER OF NOTICE OF THE SALE; AND (B)(I) AUTHORIZING AND APPROVING THE SALE OF ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, AND (II) AUTHORIZING AND APPROVING THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES; AND (C) GRANTING RELATED RELIEF

LB Steel, LLC (the “Debtor”) submits this motion, pursuant to sections 363, 365, 503 and 1146 of the Bankruptcy Code and Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure, for entry of orders: (a)(i) approving bidding procedures in connection with the sale of all or substantially all its assets, (ii) scheduling a hearing to consider the sale of assets, and (iii) approving the form and manner of notice of the sale; (b)(i) authorizing and approving the sale of assets free and clear of liens, claims, encumbrances and interests, and (ii) approving the assumption and assignment of executory contracts and unexpired leases incident to the sale; and (c) granting related relief. In support of this Motion, the Debtor states as follows

JURISDICTION

1. This Court exercises jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of this case in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are Bankruptcy Code sections 363, 365, 503 and 1146, as supplemented by Bankruptcy Rules 2002, 6004, 6006 and 9014.

BACKGROUND

2. On October 18, 2015, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor is operating its business and managing its properties as debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. The Debtor's business and history are more fully set forth in the Declaration of Michael Goich filed on the Petition Date.

4. In light of the Debtor's operating limitations and debt structure, the Debtor has determined that the value of its estate is best maximized and preserved by a going-concern sale pursuant to section 363 of the Bankruptcy Code. The Debtor intends to retain an investment banker to conduct an orderly marketing process and a going-concern sale of substantially all of its business assets (the "Purchased Assets") in one or more sale transactions pursuant to section 363 of the Bankruptcy Code.

SUMMARY OF THE RELIEF REQUESTED

5. Pursuant to sections, 363, 365 and 503 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, and 9014, the Debtor seeks the Court's approval of: (a) the sale of the Purchased Assets free and clear of all liens, claims encumbrances and interests (collectively, "Interests"); (b) the approval of proposed bidding, auction and notice procedures for the solicitation and consideration of competing offers for the Purchased Assets ("Bidding Procedures," annexed as Schedule 1 to the Bidding Procedures Order); (c) fixing certain dates and deadlines, subject to modification; (d) authorization to pay or reserve sufficient sale proceeds required to pay the accrued, allowed Administrative Claims that are unpaid as of the closing of the sale, plus a reasonable amount of wind-down costs, from the sale proceeds; and (e) the assumption, assignment and/or transfer of certain executory contracts to the Successful Bidder.

6. More specifically, the Debtor requests that the Court enter the following orders:

- (a) **The Bidding Procedures Order**: An order in substantially the form attached: (i) approving the Bidding Procedures; (ii) approving the notice (the “Notice of Sale Hearing”) establishing the dates, times, and locations of the deadline to bid for the Purchased Assets, the auction of the Purchased Assets (the “Auction”) in the event that more than one offer is received for the Purchased Assets and the sale hearing for the Purchased Assets (the “Sale Hearing”) pursuant to the dates proposed in the Bidding Procedures Order; and (iii) approving the notice of the Debtor’s intent to assume, assign and/or transfer to the Successful Bidder or Back-Up Bidder, the contracts, commitments, leases, licenses, permits, purchase orders, and other executory contracts and unexpired leases (collectively, the “Executory Contracts and Unexpired Leases”), and the corresponding cure amounts required to be paid in connection with such assumption, assignment and/or transfer.
- (b) **The Sale Order**: Following an Auction, the entry of a sale order: (i) approving the sale of the Purchased Assets free and clear of Interests; and (ii) approving the assumption, assignment, or transfer of Executory Contracts and Unexpired Leases to the Successful Bidder or Back-Up Bidder under the Bidding Procedures.

7. As set forth in the Bidding Procedures Order, the Debtor requests that the Court establish the following dates and deadlines, subject to modification:

- (a) **Cure Amount/Assignment Objection Deadline**: By the later of (a) **December 18, 2015 at 4:00 p.m.** (prevailing Central Time) or (b) ten (10) days from service of a Supplemental Notice of Assumption and Assignment (as defined herein), as the deadline to object to the cure amounts listed in the Notice of Assumption and Assignment;
- (b) **Bid Deadline**: **January 4, 2016 at 12:00 noon** (prevailing Central Time), as the deadline by which all bids for some or all of the Purchased Assets (as well as the deposit and all other required documentation under the Bidding Procedures for Qualified Bidders) must be actually received pursuant to the Bidding Procedures;
- (c) **Auction**: **January 6, 2016 at 10:00 a.m.** (prevailing Central Time), as the date and time the auction, if one is needed (the “Auction”), will be held at the offices of Perkins Coie LLP;
- (d) **Sale Objection Deadline**: **January 7, 2016 at 4:00 p.m.** (prevailing Central Time) as the deadline to object to the Sale transactions;
- (e) **Adequate Assurance Objection Deadline**: **January 8, 2016 at 10:00 a.m.** (prevailing Central Time) at the Sale Hearing as the deadline to object to the assignment of Contracts solely on the issue of whether the Successful Bidder can provide adequate assurance of future performance; and
- (f) **Sale Hearing**: **January 8, 2016 at 10:00 a.m.** (prevailing Central Time), as the

date and time for the hearing to approve the Sale (the “Sale Hearing”).

8. The Debtor seeks to retain the right to designate a stalking horse bidder, subject to the Court’s approval, if, in its sound business judgment, an appropriate stalking horse bidder can be identified among the Qualified Bidders who submit bids prior to the Bid Deadline.

9. The Debtor believes that each day spent in chapter 11 increases the risk of business loss and value deterioration. Moreover, the Debtor believes that the value of its operating assets will be maximized through a going-concern sale and not through a restructuring of the Debtor’s debts and equity. Absent a sale pursuant to the procedures and timelines proposed, the Debtor believes that the going-concern value of the Purchased Assets will be compromised and that its continued viability will be at significant risk.

10. The Debtor reserves the right to modify the relief requested in this Motion, including the proposed Bidding Procedures, prior to or at the hearing. The Debtor reserves the right to file and seek confirmation of a liquidating plan of reorganization pursuant to Section 1123 of the Bankruptcy Code.

BIDDING PROCEDURES AND RELEVANT NOTICES

A. Bidding Procedures

11. The Debtor believes the proposed Bidding Procedures annexed as Schedule 1 to the Bidding Procedures Order will maximize the realizable value of the Purchased Assets for the benefit of its estate, creditors and other interested parties. The Bidding Procedures contemplate an auction process pursuant to which bids for the Purchased Assets will be subject to higher or otherwise better offers.

12. As more fully described below and in the Bidding Procedures, only Qualified Bidders who timely submit Qualified Bids will be eligible to participate in the Auction. The Debtor’s secured lender may submit a credit bid, which shall be deemed a Qualified Bid.

Specifically, the Bidding Procedures provide, in relevant part, as follows:¹

- (a) Assets to be Sold. The Purchased Assets generally constitute all of the operating assets of LB Steel, LLC, including all real property owned by the Debtor, along with certain real property leases. The Debtor will offer to sell the Purchased Assets, together or separately, to one of more bidders. The Debtor shall consider bids for either all or a significant part of the Purchased Assets.
- (b) Participation Requirements. In order to participate in the bidding process or otherwise be considered for any purpose hereunder, a person interested in some or all of the Purchased Assets (a “Potential Bidder”) must first deliver the following materials to the Debtor and its counsel:
 - 1. an executed confidentiality agreement in form and substance satisfactory to the Debtor and its counsel; and
 - 2. For a party to be considered a Potential Bidder, such party must demonstrate to the Debtor a reasonable likelihood of an ability to close on a purchase of the Seller Assets in a timely manner in accordance with the terms of these Bidding Procedures. The Debtor may, in its discretion and in the exercise of its business judgment, require that such parties demonstrate the legitimacy of their interest by, among other things, requiring them to provide proof of access to funds and/or committed capital sufficient to finance the proposed transaction. The Debtor’s secured lender shall be deemed a Qualified Bidder upon submission of a credit bid, which shall be deemed a Qualified Bid.
- (c) Qualified Bid. The Debtor, in consultation with its secured lender, and any statutory committee appointed in this case, shall determine whether a bid qualifies as a “Qualified Bid.” To constitute a Qualified Bid, a bid must be a written irrevocable offer from a Qualified Bidder and:
 - 1. include a cover letter identifying whether the Qualified Bidder is interested in purchasing some or all of the Purchased Assets. If the Qualified Bidder is submitting a bid only with respect to certain assets, such cover letter must specify which assets the Qualified Bidder is seeking to purchase and whether or not such bid is contingent on purchasing all of the identified assets;
 - 2. state that the Qualified Bidder offers to consummate the sale pursuant a Purchase Agreement substantially in the form of the Purchase Agreement to be provided by the Debtor prior to the Bid Deadline (the “Marked Purchase Agreement”). If any bid is conditioned on the assumption and assignment of

¹ The following description of the Bidding Procedures is a summary of the terms set forth in the Bidding Procedures annexed to the Bidding Procedures Order as Schedule 1. Capitalized terms used but not defined in this section have the meanings ascribed to them in the Bidding Procedures. To the extent that this summary differs in any way from the terms set forth in the Bidding Procedures, the terms of the Bidding Procedures shall control.

executory contracts and/or unexpired leases, then such potential bidder shall be required to provide evidence of its ability to provide adequate assurance of future performance of such contracts or leases along with the bid;

3. be an all-cash bid;
 4. contain a list of the Debtor's executory contracts and unexpired leases with respect to which the bidder seeks assignment from the Debtor;
 5. confirm that the offer shall remain open and irrevocable as provided below;
 6. enclose a clean signed copy of the proposed Marked Purchase Agreement and a blacklined copy to the Purchase Agreement proposed by the Debtor;
 7. be accompanied by a certified or bank check or wire transfer in an amount equal to the greater of \$1,000,000 and five percent (5%) of the proposed purchase price set forth in the bid as a minimum good faith deposit (the "Minimum Deposit"), which Minimum Deposit shall be used to fund a portion of the purchase price provided for in the bid;
 8. not be conditioned on obtaining financing or the outcome of any due diligence by the Qualified Bidder; and
 9. fully disclose the identity of each entity that will be bidding for the Purchased Assets or otherwise participating in connection with such bid, and the complete terms of any such participation.
- (d) Bid Deadline and Submission. All bids must be received no later than **12:00 noon (prevailing Central time) on January 4, 2016** (the "Bid Deadline") by to: (i) counsel to the Debtor, Perkins Coie LLP, 131 S. Dearborn St., Suite 1700, Chicago, Illinois 60603, Attn: Dan Zazove and David Gold; (ii) the Debtor's investment banker, Livingstone Partners, LLC, 443 North Clark Street, Chicago, Illinois 60654, Attn: Joseph Greenwood; (iii) counsel to MB Financial Bank, N.A., Arnstein & Lehr LLP, 120 South Riverside Plaza, Suite 1200, Chicago, IL 60606, Attn: Barry Chatz and David Golin; (iv) the office of the United States Trustee (Region 11), 219 S. Dearborn St., Suite 873, Chicago, Illinois 60604, Attn: Kimberly Bacher; and (v) counsel for the Official Committee of Unsecured Creditors, Duane Morris LLP, 190 S. LaSalle St., #3700, Chicago, IL 60603, Attn: Rosanne Ciambrone (collectively, the "Notice Parties"). After the Bid Deadline, each Qualified Bidder that submits a Qualified Bid will be provided with a copy of any other Qualified Bid(s).
- (e) Auction. If more than one Qualified Bid by a Qualified Bidder is received by the Bid Deadline, an auction (the "Auction") with respect to a sale of the Purchased Assets shall take place on **January 6, 2016 at 10:00 a.m. (prevailing Central time)** at the offices of Perkins Coie LLP, 131 S. Dearborn St., Suite 1700, Chicago, Illinois 60603, or at such other place and time as the Debtor shall notify all Qualified Bidders, any statutory committee appointed in this case, and other

invitees. If, however, no such Qualified Bids are received by the Bid Deadline, then the Auction will not be held.

(f) Auction Rules.

1. Only Qualified Bidders who have submitted a Qualified Bid and their authorized representatives will be eligible to participate at the Auction. The Debtor's secured lender shall be deemed a Qualified Bidder upon submission of a credit bid, which shall be deemed a Qualified Bid. Only Qualified Bidders who have submitted a Qualified Bid will be permitted to increase their bids at the Auction. The bidding at the Auction shall start at the purchase price stated in the highest or otherwise best Qualified Bid (or combination of Qualified Bids) as disclosed to all Qualified Bidders prior to commencement of the Auction (the "Starting Qualified Bid"), and then continue in minimum increments to be announced at the Auction (the "Overbid Increment"). The Debtor shall not consider any subsequent bid at the Auction unless it exceeds the previous highest bid by at least the Overbid Increment; provided, however, that in the event the Debtor selects a combination of Qualified Bids to serve as the Starting Qualified Bid, the Debtor reserves the right to determine an appropriate Overbid Increment for each asset or lot of assets to be sold at the Auction. During the course of the Auction, the Debtor shall inform each participant which Qualified Bid(s) reflects, in the Debtor's view, the highest or otherwise best offer or combination of offers for the Purchased Assets.
2. Adjournment of Auction. The Auction may be adjourned as the Debtor deems appropriate. Reasonable notice of such adjournment and the time and place for the resumption of the Auction shall be given to all Qualified Bidders that have submitted a Qualified Bid and counsel to any statutory committee appointed in this case.
3. 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.
4. Bidding at the Auction will be transcribed or videotaped.

- (g) Other Terms. All Qualified Bids, the Auction, and the Bidding Procedures are subject to such additional terms and conditions as are announced by the Debtor and are not inconsistent with the Bidding Procedures Order. At the conclusion of the Auction, the Debtor shall announce the bid or combination of bids made pursuant to the Bidding Procedures Order that represents the highest or otherwise best offer for all of the Purchased Assets (the "Successful Bid"). Prior to the entry of the Sale Order, the Debtor shall announce the identity of the Qualified Bidder or combination of Qualified Bidders who submitted the Successful Bid at the Auction (the "Successful Bidder") and announce its intention to either (i) pursue a transaction with the Successful Bidder, or (ii) not proceed with a sale to the Successful Bidder. If an Auction is held, the Debtor shall be deemed to have

accepted a Qualified Bid only when (i) such bid is declared the Successful Bid at the Auction, (ii) definitive documentation has been executed in respect thereof, and (iii) the Court has approved the Sale to the Successful Bidder. Such acceptance by the Debtor is conditioned upon approval by the Court of the Successful Bid and the entry of an order approving such Successful Bid.

- (h) Irrevocability of Certain Bids. The Successful Bid shall remain irrevocable in accordance with the terms of the purchase agreement executed by the Successful Bidder. The bid of the Qualified Bidder or combination of Qualified Bidders (the “Back-Up Bidder”) that submits the next highest or otherwise best bid or combination of bids (the “Back-Up Bid”) shall be irrevocable until the earlier of: (i) 15 days after entry of the Sale Order approving the Successful Bid; (ii) closing of the sale to the Successful Bidder; and (iii) such date as the Debtor affirms in writing that the Debtor does not intend to proceed with a sale to the Successful Bidder. Following the 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 Bid will be deemed to be the new Successful Bid, and the Debtor will be authorized, but not required, to consummate the Sale with the Back-Up Bidder without further order of the Court. In such case, the defaulting Successful Bidder’s Minimum Deposit shall be forfeited to the Debtor and the Debtor shall have the right to seek any and all other remedies and damages from the defaulting Successful Bidder.
- (i) Sale Hearing. The Court shall conduct a hearing to approve the sale of the Debtor’s assets on **January 8, 2016 at 10:00 a.m.**
- (j) Return of Deposit. Except as otherwise provided in this paragraph with respect to any Successful Bid and any Back-Up Bid, the Minimum Deposits of all Qualified Bidders that submitted such a deposit under the Bidding Procedures shall be returned upon or within five (5) business days after the conclusion of the Auction. The Minimum Deposit of the Successful Bidder shall be held until the closing of the Sale of the Purchased Assets and applied in accordance with the Successful Bid. The Minimum Deposit of the Back-Up Bidder shall be returned upon or within the earlier of 15 days after the date of entry of the Sale Order (the “Outside Back-Up Date”) or the closing of the Sale of the Purchased Assets to the Successful Bidder.
- (k) Failure to Close. If the Successful Bidder fails to consummate the transaction in accordance with the terms of the purchase agreement executed by the Successful Bidder by the closing date contemplated in the purchase agreement agreed to by the parties for any reason, the Debtor shall: (i) retain the Successful Bidder’s Minimum Deposit as partial liquidated damages; (ii) maintain the right to pursue all other available remedies, whether legal or equitable; and (iii) be free to consummate the proposed transaction with the Back-Up Bidder at the highest price bid by the Back-Up Bidder at the Auction, without the need for an additional hearing or Order of the Court.

(l) Reservation of Rights. Except as otherwise provided in the Bidding Procedures Order, the Debtor reserves the right as it may reasonably determine to be in the best interests of its estate, subject to conformity with the Bidding Procedures, to: (i) determine, in consultation with the Debtor's secured lender and any official committee, which bidders are Qualified Bidders; (ii) determine which bids are Qualified Bids; (iii) determine which Qualified Bid or combination of Qualified Bids is the highest and best proposal and which is the next highest and best proposal; (iv) 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 Debtor and its estate; (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) impose additional terms and conditions with respect to all potential bidders; (viii) extend the deadlines set forth herein; (ix) adjourn or cancel the Auction and/or Sale Hearing in open court without further notice; (x) modify the Bidding Procedures, as the Debtor may determine to be in the best interests of its estate, or to withdraw the Motion at any time with or without prejudice; and (xi) conduct the Auction in such manner and on such terms as the Debtor believes, in consultation with counsel to the Official Committee of Unsecured Creditors, is in the best interests of the Debtor and its estate.

(m) Expenses. Except as otherwise ordered by the Court, all bidders shall bear their own expenses in connection with the proposed sale, whether or not such sale is ultimately approved.

13. The Debtor believes that the Bidding Procedures are fair and reasonable, are designed to maximize the sale value of the Purchased Assets, and are not likely to dissuade any serious potential bidder from bidding in a manner permitted under the preceding paragraph.

B. Notice of Auction and Sale Hearing

14. The Debtor requests that the Court schedule the Sale Hearing on January 8, 2016. The Debtor further requests that the objection deadline, with respect to the sale of the Purchased Assets, be on January 7, 2016 at 4:00 p.m. (prevailing Central Time).

15. Within three (3) business days after entry of the Bidding Procedures Order, the Debtor will cause: (a) a notice in substantially the form annexed as Schedule 2 to the Bidding Procedures Order (the "Notice of Auction and Sale Hearing"); and (b) a copy of the Bidding Procedures Order to be sent by first class mail postage prepaid and/or Electronic Bankruptcy

Noticing, to the following: (i) the Office of the United States Trustee; (ii) counsel for any statutory committee in this case, if and when appointed; (iii) the Debtor's prepetition secured lender, MB Financial Bank, N.A.; (iv) all taxing authorities and other governmental agencies having jurisdiction over any of the Purchased Assets, including the Internal Revenue Service; (v) all parties that have requested or that are required to receive special notice pursuant to Bankruptcy Rule 2002; (vi) all persons known or reasonably believed to have asserted any lien, claim, encumbrance, right of first refusal, or other Interest in or upon any of the Purchased Assets; (vii) all non-debtor parties to the Executory Contracts and Unexpired Leases and any parties who are known to claim interests therein; (viii) all persons known or reasonably believed to have expressed an interest in acquiring some or all of the Purchased Assets within the last six months; (ix) the Attorneys General in the States where the Purchased Assets are located; (x) the United States Environmental Protection Agency; and (xi) any applicable state environmental agency.² In addition to the foregoing, (a) electronic notification of this Motion, the Bidding Procedures Order and the Notice of Auction and Sale Hearing also will be posted on the Court's electronic case filing (ECF) website, <http://ecf.ilnb.uscourts.gov>; and (b) on or before three (3) business days after entry of the Bidding Procedures Order, the Debtor will: (i) serve the Notice of Auction and Sale Hearing on all known creditors of the Debtor; and (ii) subject to applicable submission deadlines, publish the Notice of Auction and Sale Hearing once in one or more publications the Debtor deems appropriate.

16. To facilitate the sale of the Purchased Assets and the assumption, assignment and/or transfer of the Executory Contracts and Unexpired Leases, the Debtor shall serve a notice

² The Notice of Auction and Sale Hearing will direct parties to contact the Debtor's counsel for more information and will provide that any party in interest that wishes to obtain a copy of any related document, subject to any necessary confidentiality agreement, may make a request in writing as specified in the Notice of Auction and Sale Hearing.

of potential assumption, assignment and/or transfer of the Executory Contracts and Unexpired Leases in substantially the form annexed as Schedule 3 to the Bidding Procedures Order (the “Notice of Assumption and Assignment”) on all non-debtor parties to the Executory Contracts and Unexpired Leases, on or before December 4, 2015 by first class mail. If the Debtor identifies additional executory contracts or unexpired leases that might be assumed by the Debtor and assigned to the Successful Bidder or not set forth in the original Notice of Assumption and Assignment, the Debtor will promptly send a supplemental notice (a “Supplemental Notice of Assumption and Assignment”) to the applicable counterparties to such additional executory contracts and unexpired leases.

17. In the Notice of Assumption and Assignment, the Debtor will identify its calculation of any cure amounts that the Debtor believes must be paid to cure all defaults under the Executory Contracts and Unexpired Leases (the “Cure Amounts”). If no amount is listed on the Notice of Assumption and Assignment with respect to an Executory Contract or Unexpired Lease, the Debtor believes that there is no Cure Amount applicable to such Executory Contract or Unexpired Lease. The Debtor requests that unless the non-debtor party to an Executory Contract or Unexpired Lease files an objection (the “Cure Amount/Assignment Objection”) to (a) their scheduled Cure Amount and/or (b) to the proposed assumption, assignment and/or transfer of such Executory Contract or Unexpired Lease by the later of (i) 4:00 p.m. (prevailing Central time) on December 18, 2015 or (ii) ten (10) days after service of the relevant Supplemental Notice of Assumption and Assignment (such later date, 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. (prevailing Central Time) on the Cure/Assignment Objection Deadline by: (i) counsel to the Debtor, Perkins Coie LLP, 131 S. Dearborn St., Suite 1700,

Chicago, Illinois 60603, Attn: Dan Zazove and David Gold; (ii) counsel to MB Financial Bank, N.A., Arnstein & Lehr LLP, 120 South Riverside Plaza, Suite 1200, Chicago, IL 60606, Attn: Barry Chatz and David Golin; (iii) the office of the United States Trustee (Region 11), 219 S. Dearborn St., Suite 873, Chicago, Illinois 60604, Attn: Kimberly Bacher; and (iv) counsel to the Official Committee of Unsecured Creditors, Duane Morris LLP, 190 S. LaSalle St., #3700, Chicago, IL 60603, Attn: Rosanne Ciambrone (collectively, the "Notice Parties"); then such non-debtor party should (i) be forever barred from objecting to the Cure Amount and from asserting any additional cure or other amounts with respect to such Executory Contract and Unexpired Lease and the Debtor shall be entitled to rely solely upon the Cure Amount, and (ii) if the Executory Contract or Unexpired Lease is identified as a Purchased Asset by the Successful Bidder and/or Back-Up 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 Debtor, the Successful Bidder or Back-Up Bidder or any other assignee of the relevant Executory Contract or Unexpired Lease that any additional amounts are due or defaults exist, or conditions to assumption, assignment and/or transfer must be satisfied, under such Executory Contract or Unexpired Lease. Notwithstanding the foregoing, as provided below, each non-debtor party shall retain the right to object to the assumption, assignment or transfer of its Executory Contract and Unexpired Lease, based solely on the issue of whether the Successful Bidder or Back-Up Bidder can provide adequate assurance of future performance as required by section 362 of the Bankruptcy Code.

18. The Debtor also requests that any objections challenging a Cure Amount must set forth the cure amount being claimed by the objecting party (the "Claimed Cure Amount") with appropriate documentation in support thereof. Upon receipt of a Cure Amount/Assignment

Objection, the Debtor requests that it be granted the authority, but not direction, to resolve any Cure Amount/Assignment Objection by mutual agreement with the objecting counterparty to any Executory Contract or Unexpired Lease without further order of the Court. In the event that the Debtor and any objecting party are unable to consensually resolve any Cure Amount/Assignment Objection no later than January 5, 2016, the Debtor requests that the Court resolve such Cure Amount/Assignment Objection at the Sale Hearing.

19. The Debtor, the Successful Bidder or the Back-Up Bidder, 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 prior to the Sale Hearing, or, if the Court determines at any hearing on a Cure Amount/Assignment Objection that the applicable cure amount for such contract is greater than the Cure Amount proposed by the Debtor, no later than five (5) business days following such hearing. The non-debtor party or parties to any such excluded contract or lease will be notified of such exclusion by written notice mailed within two (2) business days of such determination.

20. The Debtor shall serve notice of the identities of the Qualified Bidders on or before January 5, 2016 to the non-debtor parties to the Executory Contracts and Unexpired Leases. The Debtor proposes that the non-debtor parties to the Executory Contracts and Unexpired Leases have until the Sale Hearing (the "Adequate Assurance Objection Deadline") to object to the assumption, assignment and/or transfer of such Executory Contract and 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.

AUTHORITY FOR REQUESTED RELIEF

C. The Sale Of The Purchased Assets Is Within The Sound Business Judgment Of The Debtor And Should be Approved

21. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that a debtor in possession, “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Section 363 does not set forth a standard for determining when it is appropriate for a court to authorize the sale or disposition of a debtor’s assets prior to confirmation of a plan. However, courts have required that the decision to sell assets outside the ordinary course of business be based upon the sound business judgment of the debtor. *See* 3 COLLIER ON BANKRUPTCY ¶ 363.02[4] (16th ed. 2012); *see also In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991) (requiring “articulated business justification” for sale, adequate notice, and the availability of a hearing to approve sale under § 363(b)); *Myers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (citing *In re Schipper*); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983); *Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp., (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999); *In re Zeigler*, 320 B.R. 362, 381 (Bankr. N.D. Ill. 2005); *In re U.S. Airways Grp., Inc.*, 287 B.R. 643, 645 (Bankr. E.D. Va. 2002).

22. In this case, the Debtor submits that the decision to proceed with the Sale of the Purchased Assets and the Bidding Procedures is based upon sound business judgment and should be approved. A debtor’s showing of a sound business purpose need not be unduly exhaustive but, rather, a debtor is “simply required to justify the proposed disposition with sound business reasons.” *In re Baldwin United Corp.*, 43 B.R. 888, 906 (Bankr. S.D. Ohio 1984). Whether or not there are sufficient business reasons to justify a transaction depends upon the facts and circumstances of each case. *See Lionel*, 722 F.2d at 1071; *Montgomery Ward*, 242 B.R. at 155

(approving funding of employee incentive and severance program; business purpose requirement fulfilled because stabilizing turnover rate and increasing morale were necessary to successful reorganization).

23. The Debtor submits that ample business justification exists to sell the Purchased Assets pursuant to the Bidding Procedures. The sale of the Purchased Assets presents the best opportunity to maximize the value for the estate in light of the need to manage and transition the Purchased Assets to a buyer. In addition, the Debtor believes that the Bidding Procedures are the best method by which they can obtain the best price for the Purchased Assets and provide interested parties with accurate and reasonable notice of the Sale. The Bidding Procedures will allow the Debtor to conduct the Auction in a controlled, fair and open fashion that will encourage participation by financially capable bidders who demonstrate the ability to close a transaction, thereby increasing the likelihood that the Debtor will receive the best possible consideration for the Purchased Assets by helping ensure a competitive and fair bidding process.

24. For reasons explained elsewhere in this Motion, the Debtor believes the sale of the Purchased Assets must occur quickly to maximize value in this chapter 11 case and that extended time spent in chapter 11 increases the risk of business loss and value deterioration. Absent a reasonably prompt sale pursuant to the procedures and timelines proposed, the Debtor believes that the going-concern value of the Purchased Assets will be significantly compromised. The Debtor further believes that a targeted sale process is most likely to achieve the highest and best price for the Purchased Assets and will do so in an efficient and timely manner, enabling the Purchased Assets to emerge successfully from this case. The Debtor respectfully submits that the relief sought by this Motion is not only reasonable but necessary to maximize the value of its estate for the benefit of the Debtor and its stakeholders.

25. In addition, the notice procedures described in this Motion and in the Bidding Procedures Order is intended to adequately advise all potentially interested parties, including those who have previously expressed an interest in purchasing the Purchased Assets.

26. The Bidding Procedures were drafted to maximize the value received for the Purchased Assets. The process proposed by the Debtor allows for a timely auction process while providing bidders ample time and information to submit a timely bid. Along with the marketing process, the Bidding Procedures are designed to ensure that the Purchased Assets will be sold for the highest or otherwise best possible purchase price. The Debtor will subject the value of the Purchased Assets to a market test and permit all prospective purchasers the opportunity to bid on the Purchased Assets, thereby subjecting the proposed sale to a market check through the solicitation of competing bids in a court-supervised auction process. The Debtor also will have the flexibility to sell the assets in a single lot or in several lots based on whichever bid or combination of bids for all the Purchased Assets will maximize value to its estate.

27. The Debtor has articulated ample business justification for the Sale and, through the measures and safeguards proposed in the Bidding Procedures, have guaranteed adequate notice to all creditors and the availability of a hearing on the Sale. The proposed Sale thus comports with the requirements of a § 363(b) sale as enunciated by the Seventh Circuit in *In re Schipper*. 933 F.2d at 515.

D. The Proposed Sale Is Proposed In “Good Faith” Under Section 363(m) Of The Bankruptcy Code

28. The Debtor requests that the Court find that the Successful Bidder and/or Back-Up Bidder is entitled to the benefits and protections provided by section 363(m) of the Bankruptcy Code in connection with the sale of the Purchased Assets.

29. Section 363(m) of the Bankruptcy Code provides, in pertinent part:

The reversal or modification on appeal of an authorization under subsection (b) ... of this section of a sale . . . of property does not affect the validity of a sale ... under such authorization to an entity that purchased ... such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale ... were stayed pending appeal.

11 U.S.C. § 363(m).

30. Section 363(m) protects the purchaser of assets sold pursuant to section 363 from the risk that it will lose its interest in the purchased assets if the order allowing the sale is reversed on appeal. By its terms, section 363(m) applies to sales of interests in tangible assets. However, some courts have applied the protections of 363(m) to assignments of executory contracts as well. *See In re Kmart Corp.*, No. 03 C 698, 2003 WL 1956149, at *3 (Bankr. N.D. Ill. April 23, 2003) (collecting cases). As required by section 363(m), the Bidding Procedures have been proposed in good faith and provide for both the Debtor and any potential purchaser to act in good faith in negotiating the sale of the Purchased Assets and the assignment of the Executory Contracts and Unexpired Leases related thereto. To constitute lack of good faith, a party's conduct in connection with the sale must usually amount to "fraud, collusion between the purchaser and other bidders or the trustee or an attempt to take grossly unfair advantage of other bidders." *In re Wieboldt Stores, Inc.*, 92 B.R. 309, 312 n.3 (Bankr. N.D. Ill. 1988) (quoting *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978)); *see also In re Perona Bros., Inc.*, 186 B.R. 833, 839 (D.N.J. 1995); *In re Bedford Springs Hotel, Inc.*, 99 B.R. 302, 305 (Bankr. W.D. Pa. 1989). Due to the absence of a bright line test for good faith, the determination is based on the facts of each case, concentrating on the "integrity of [an actor's] conduct during the sale proceedings." *In re Pisces Leasing Corp.*, 66 B.R. 671, 673 (E.D.N.Y. 1986) (quoting *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978)).

31. As required by section 363(m), the Bidding Procedures have been proposed in

good faith and provide for both the Debtor and any potential purchaser to act in good faith in negotiating the sale of the Purchased Assets and the assignment of the Executory Contracts and Unexpired Leases related thereto. Although the Bankruptcy Code does not define “good faith purchaser,” the Third Circuit, construing section 363(m) of the Bankruptcy Code, has stated that “the phrase encompasses one who purchases in ‘good faith’ and for ‘value.’” *Abbotts Dairies*, 788 F.2d at 147. To constitute lack of good faith, a party’s conduct in connection with the sale must usually amount to “fraud, collusion between the purchaser and other bidders or the trustee or an attempt to take grossly unfair advantage of other bidders.” *Id.* (citing *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978)); *see also In re Bedford Springs Hotel, Inc.*, 99 B.R. 302, 305 (Bankr. W.D. Pa. 1989); *In re Perona Bros., Inc.*, 186 B.R. 833, 839 (D.N.J. 1995). Due to the absence of a bright line test for good faith, the determination is based on the facts of each case, concentrating on the “integrity of [an actor’s] conduct during the sale proceedings.” *In re Pisces Leasing Corp.*, 66 B.R. 671, 673 (E.D.N.Y. 1986) (quoting *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978)).

32. Here, the sale of the Purchased Assets and the assignment and/or transfer of the Executory Contracts and Unexpired Leases, which will be designated by any Successful Bidder, is or will be in good faith.³ As discussed throughout this Motion, and as will be demonstrated at the Sale Hearing, any sale agreement will be the culmination of a solicitation and negotiation process in which all parties will be represented by counsel. All negotiations have been and will continue to be conducted on an arms length, good faith basis. Moreover, there is no evidence of

³ The Debtor believes that a finding of good faith within the meaning of section 363(m) will be appropriate for the Successful Bidder. Pursuant to the Bidding Procedures, any Successful Bidder will have had to present a proposal in accordance with the Bidding Procedures. Moreover, the Debtor will not choose as the Successful Bidder or Back-Up Bidder any entity whose good faith under section 363(m) can reasonably be doubted, and would be prepared to present the Court with sufficient evidence to allow the Court to find that the “good faith” standard of section 363(m) has been satisfied.

fraud or collusion in terms of the proposed sale. With respect to the potential bidders, the Bidding Procedures are designed to ensure that no party is able to exert undue influence over the process.

33. Under the circumstances, the Successful Bidder or Back-Up Bidder should be afforded the protections that section 363(m) provides to a good faith purchaser. All parties in interest as described in paragraph 16 will receive notice of the sale proposed herein and will be provided with an opportunity to be heard. Additionally, all counterparties to Executory Contracts and Unexpired Leases will be provided notice of assumption, assignment and/or transfer and an opportunity to be heard. The Debtor submits that such notice is adequate for entry of the Sale Order and satisfies the requisite notice provisions required under sections 363(b) and 365 of the Bankruptcy Code.

E. The Proposed Sale Satisfies The Requirements Of Section 363(f) Of The Bankruptcy Code

34. Under section 363(f) of the Bankruptcy Code, a debtor may sell all or any part of its property free and clear of any and all liens, claims, or interests in such property if: (a) such a sale is permitted under applicable non-bankruptcy law; (b) the party asserting such a lien, claim, or interest consents to such sale; (c) the interest is a lien and the purchase price for the property is greater than the aggregate amount of all liens on the property; (d) the interest is the subject of a bona fide dispute; or (e) the party asserting the lien, claim, or interest could be compelled, in a legal or equitable proceeding, to accept a money satisfaction for such interest. *See* 11 U.S.C. § 363(f); *see also In re Zeigler*, 320 B.R. at 387 (noting that section 363(f) of the Bankruptcy Code is written in the disjunctive; therefore, a court may approve a sale “free and clear” provided at least one of the subsections is met). Furthermore, courts have held that they have the equitable power to authorize sales free and clear of interests that are not specifically covered by section

363(f). *See, e.g., In re Trans World Airlines, Inc.*, 2001 WL 1820325, at *3, 6 (Bankr. D. Del. Mar. 27, 2001); *Volvo White Truck Corp. v. Chambersburg Beverage, Inc. (In re White Motor Credit Corp.)*, 75 B.R. 944, 948 (Bankr. N.D. Ohio 1987). Because the Debtor expects that it will satisfy one or more of the requirements of section 363(f), as will be demonstrated at the Sale Hearing, approving the sale of the Purchased Assets free and clear of all Interests is warranted.

F. Assumption And Assignment Of Executory Contracts And Unexpired Leases Should be Approved

35. To facilitate and effectuate the sale of the Purchased Assets, the Debtor seeks authority to assume, assign and/or transfer various Executory Contracts and Unexpired Leases to the Successful Bidder or Back-Up Bidder to the extent required by such Successful Bidder or Back-Up Bidder. Section 365 of the Bankruptcy Code authorizes a debtor to assume and/or assign its executory contracts and unexpired leases, subject to the approval of the Court; provided that the defaults under such contracts and leases are cured and adequate assurance of future performance is provided. A debtor's decision to assume or reject an executory contract or unexpired lease must only satisfy the "business judgment rule" and will not be subject to review unless such decision is clearly an unreasonable exercise of such judgment. *See Group of Institutional Investors v. Chicago, Milwaukee, St. Paul & Pacific Ry. Co.*, 318 U.S. 523 (1943) (applying Bankr. Act section 77 subsection (b), predecessor to Bankruptcy Code Section 365, and rejecting test of whether executory contract was burdensome in favor of whether rejection is within debtor's business judgment); *see also Lubrizol Enter., Inc. v. Richmond Metal Finishers, Inc.*, 756 F.2d 1043, 1046-47 (4th Cir. 1985).

36. The meaning of "adequate assurance of future performance" depends on the facts and circumstances of each case, but should be given "practical, pragmatic construction." *See Carlisle Homes, Inc. v. Azzari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D. N.J.

1989). Among other things, adequate assurance may be given by demonstrating the assignee's financial health and experience in managing the type of enterprise or property assigned. *In re Bygaph, Inc.*, 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (finding adequate assurance of future performance present when the prospective assignee of a lease from the debtor has the financial resources and has expressed a willingness to devote sufficient funding to the business in order to give it a strong likelihood of succeeding; "chief determinant of adequate assurance of future performance is whether rent will be paid").

37. The Successful Bidder or Back-Up Bidder will likely want an assignment of certain executory contracts and unexpired leases related to the Purchased Assets. To the extent Executory Contracts and Unexpired Leases are identified for assumption, assignment and/or transfer, the Debtor believes that it can and will demonstrate that all requirements for assumption, assignment and/or transfer of the Executory Contracts and Unexpired Leases will be satisfied at the Sale Hearing. The Debtor, as required by the Bidding Procedures, will evaluate the financial wherewithal of all potential bidders before qualifying such bidders to bid for the Purchased Assets. Further, for the reasons stated throughout this Motion, the Debtor, in exercising its sound business judgment, believes that selling the Purchased Assets and assuming, assigning and/or transferring to the Successful Bidder or Back-Up Bidder the Executory Contracts and Unexpired Leases would be in the best interests of its estate. Moreover, the Debtor will provide all parties to the Executory Contracts and Unexpired Leases an opportunity to be heard.

38. Specifically, the Debtor will serve the Notice of Assumption and Assignment on or before three business days after entry of the Bidding Procedures Order on the non-debtor parties to the Executory Contracts and Unexpired Leases. The Notice of Assumption and

Assignment will, among other things, identify respective Cure Amounts, if any. The Debtor requests that unless the non-debtor party to an Executory Contract and Unexpired Lease files and serves a Cure Amount/Assignment Objection setting forth the Claimed Cure Amount or objecting to an assumption, assignment and/or transfer to the Successful Bidder or Back-Up Bidder on or before the Cure/Assignment Objection Deadline, such non-debtor party should: (a) be forever barred from objecting to the Cure Amount and from asserting any additional cure or other amounts with respect to such Executory Contract and Unexpired Lease and the Debtor shall be entitled to rely solely upon the Cure Amount; and (b) if the Executory Contract or Unexpired Lease is identified as a Purchased Asset by the Successful Bidder and/or the Back-Up 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 Debtor, the Successful Bidder, the Back-Up Bidder or any other assignee of the relevant Executory Contract and Unexpired Lease that any additional amounts are due or defaults exist, or conditions to assumption, assignment and/or transfer must be satisfied, under such Executory Contract. Notwithstanding the foregoing, as provided below, each non-debtor party shall retain the right to object to the assumption, assignment or transfer of its Executory Contract and Unexpired Lease, based solely on the issue of whether the Successful Bidder or Back-Up Bidder can provide adequate assurance of future performance as required by Section 362 of the Bankruptcy Code.

39. Within two business days after the conclusion of the auction for the Purchased Assets, the Debtor will serve a notice identifying the Successful Bidders to the non-debtor parties to the Executory Contracts and Unexpired Leases that have been identified in such Successful Bid. The Debtor requests that objections by a non-debtor party to the Executory Contracts and

Unexpired Leases to the assumption, assignment and/or transfer of such Executory Contract and Unexpired Lease solely on the issue of whether the Successful Bidder or Back-Up Bidder can provide adequate assurance of future performance as required by section 365 of the Bankruptcy Code be filed and served on or before the Adequate Assurance Objection Deadline.

40. Thus, the Debtor requests that the assumption, assignment and/or transfer of the Executory Contracts and Unexpired Leases be approved.

G. Relief From The Ten-Day Waiting Periods Under Bankruptcy Rules 6004(h) And 6006(d) is Appropriate

41. Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of property . . . is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Similarly, Bankruptcy Rule 6006(d) provides that an “order authorizing the trustee to assign an executory contract or unexpired lease . . . is stayed until the expiration of 14 days after the entry of the order, unless the court orders otherwise.” The Debtor requests that the Bidding Procedures Order and the Sale Order be effective immediately by providing that the fourteen (14) day stays under Bankruptcy Rules 6004(h) and 6006(d) are waived.

42. The purpose of Bankruptcy Rules 6004(h) and 6006(d) is to provide sufficient time for an objecting party to appeal before an order can be implemented. *See* Advisory Committee Notes to Fed. R. Bankr. P. 6004(h) and 6006(d). Although Bankruptcy Rules 6004(h) and 6006(d) and the Advisory Committee Notes are silent as to when a court should “order otherwise” and eliminate or reduce the ten-day stay period, *Collier on Bankruptcy* suggests that the 14 day stay period should be eliminated to allow a sale or other transaction to close immediately “where there has been no objection to the procedure.” 10 *COLLIER ON BANKRUPTCY* ¶ 6004.11 (16th ed. 2012). Furthermore, if an objection is filed and overruled, and the objecting party informs the court of its intent to appeal, the stay may be reduced to the

amount of time actually necessary to file such appeal. *See Id.*

43. Accordingly, the Debtor hereby requests that the Court waive the fourteen-day stay period under Bankruptcy Rules 6004(h) and 6006(d).

NOTICE

44. Notice of this Motion has been given to: (a) the Office of the United States Trustee; (b) MB Financial Bank, N.A.; (c) all known parties with liens of record on assets of the Debtor as of the Petition Date; (d) the Official Committee of Unsecured Creditors; (e) the Internal Revenue Service; (f) the Illinois Department of Revenue; and (g) any parties that filed an appearance in this case or otherwise requested notices. In addition, the Notice of Auction and Sale Hearing, the Bidding Procedures Order, and the Notice of Assumption and Assignment will be served as set forth in paragraphs 17 and 18 above. In light of the nature of the relief requested, the Debtor submits that no further notice is required.

WHEREFORE, the Debtor respectfully requests: (a) entry of the proposed Bidding Procedures Order, substantially in the form attached hereto as Exhibit A; (b) entry of the Sale Order; and (c) such other and further relief as the Court deems just and proper.

Dated: November 2, 2015

Respectfully submitted,

LB STEEL, LLC,

By: /s/ Daniel A. Zazove

PERKINS COIE LLP

Daniel A. Zazove

David J. Gold

131 S. Dearborn Street, Suite 1700

Chicago, Illinois 60603-5559

Telephone: (312) 324-8400

Facsimile: (312) 324-9400

Proposed Attorneys for the Debtor

CERTIFICATE OF SERVICE

Daniel A. Zazove, an attorney, certifies that on November 2, 2015, he caused the foregoing *Debtor's Motion For Orders: (A)(I) Approving Bidding Procedures in Connection With the Sale of All Or Substantially All Assets of the Debtor, (II) Scheduling an Auction and Hearing to Consider the Sale of Assets, and (III) Approving the Form and Manner of Notice of the Sale; and (B)(I) Authorizing and Approving the Sale of Assets Free and Clear of Liens, Claims, Encumbrances, and Interests, and (II) Authorizing and Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (C) Granting Related Relief* to be filed electronically with the Court and served via operation of the Court's electronic filing system to the ECF registered parties listed below, and served as otherwise indicated on the subsequent service list below.

Via ECF Notification:

David A Agay on behalf of Interested Party LB Industries, Inc.
dagay@mcdonaldhopkins.com, mbrady@mcdonaldhopkins.com; mgupta@mcdonaldhopkins.com;
bkfilings@mcdonaldhopkins.com

Jeffrey E Altshul on behalf of Creditors CenterPoint Energy Services, Inc., FirstEnergy Solutions Corp., Creditor Ohio Edison Company, Creditor Westar Energy, Inc.
jaltshul@carlsondash.com, kidstein@carlsondash.com

Kurt M. Carlson on behalf of Creditors CenterPoint Energy Services, Inc., FirstEnergy Solutions Corp., Creditor Ohio Edison Company, Creditor Westar Energy, Inc.
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Barry A Chatz on behalf of Creditor MB Financial Bank, N.A.
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Rosanne Ciambrone on behalf of Creditor Committee The Official Committee of Unsecured Creditors'
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William Cross on behalf of Creditor Walsh Construction Company
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Michael K Desmond on behalf of Creditor Walsh Construction Company
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Patrick S Layng
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Kevin H Morse on behalf of Creditor MB Financial Bank, N.A.
khmorse@arnstein.com

John S Mrowiec on behalf of Creditor Conway & Mrowiec
jsm@cmcontractors.com

John R Weiss on behalf of Creditor Committee The Official Committee of Unsecured Creditors'
jrweiss@duanemorris.com

Samuel C. Wisotzkey on behalf of Creditor Scot Forge Company
swisotzkey@kmksc.com, kmksc@kmksc.com

Served as indicated:

Name	Party Type	Fax No. or Email	Type of Service
Office of the U.S. Trustee Attn Kimberly Bacher 219 S Dearborn St, Room 873 Chicago, IL 60604	U.S. Trustee	USTPRegion11.es.ecf@usdoj.gov	ECF and Messenger
Evraz North America Attn Jim Torongo 200 E Randolph Chicago, IL 60601	Committee Member	Jim.Torongo@evrazna.com	Messenger
SSAB Americas Attn John Thompson 801 Warrenville Rd, Ste 800 Lisle, IL 60532	Committee Member	630-810-4608 Philip.Caldwell@ssab.com	FedEx
Janco Steel Attn Terrie Demelo 925 Arvin Ave Stoney Creek Ontario Canada L8E5N9	Committee Member	905-643-3585 Tdemelo@jancosteel.com	FedEx
Welding Industrial Supply Attn Craig Devries 2200 N Western Ave Chicago, IL 60647	Committee Member	773-384-7273 Cdevries@wiscoonline.com	FedEx
Russell R. Johnson III Russell R. Johnson III, PLC 2258 Wheatlands Dr. Manakin-Sabot, VA 23103	Rule 2002 - Attorney for CenterPoint Energy, et al.		U.S. Mail

Other Purported Secured Creditors

Name	Party Type	Fax No. or Email	Type of Service
American National Bank 8990 West Dodge Road Omaha, NE 68114	UCC		U.S. Mail
Yamazen Inc. 735 E. Remington Rd. Schaumburg, IL 60173	Additional notice party		U.S. Mail
Atlas Copco Cust Finance USA 34 Maple Ave PO Box 2028 Pine Brook, NJ 07058	UCC		U.S. Mail
Bank of the West 7101 College Blvd, Ste 550 Overland Park, KS 66210	UCC		U.S. Mail
Caterpillar Inc. 100 N.E. Adams St Peoria, IL 61629	UCC		U.S. Mail
JPMorgan Chase Bank, NA Mail Code IL1-0199 300 S Riverside Plaza Chicago, IL 60670	UCC		U.S. Mail
NMHG Financial Services, Inc. PO Box 35701 Billings, MT 59107	UCC		U.S. Mail
NMHG Financial Services Inc 201 Merritt 7 Norwalk, CT 06851	Additional notice address		U.S. Mail
Trumbull County Auditor Real Estate Tax Div. 160 High St., NW Warren, OH 44481	Real Estate Tax Authority		U.S. Mail
De Lage Landen Financial Svc 1111 Old Eagle School Rd. Wayne, PA 19087	Copiers and Machinery leases		U.S. Mail
Commercial Capital Co, LLC 8215 Melrose Dr., Ste 100 Lenexa, KS 66214	Copier lease		U.S. Mail

Via U.S. Mail

Internal Revenue Service Centralized Insolvency Operations PO Box 7346 Philadelphia, PA 19101-7346	Illinois Department of Revenue Bankruptcy Section PO Box 64338 Chicago, IL 60664-0338
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/s/ Daniel A. Zazove

EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:) Chapter 11
) Case No. 15-35358
LB STEEL, LLC,)
) Honorable Janet S. Baer
Debtor.)

**ORDER: (I) APPROVING BIDDING PROCEDURES IN CONNECTION WITH THE
SALE OF ALL OR SUBSTANTIALLY ALL ASSETS OF THE DEBTOR,
(II) SCHEDULING AN AUCTION AND HEARING TO CONSIDER THE SALE
OF ASSETS, AND (III) APPROVING THE FORM AND MANNER OF
NOTICE OF THE SALE**

Upon consideration of the motion (the “Motion”)¹ of the above-captioned debtor and debtor-in-possession (the “Debtor”), pursuant to sections 363, 365, 503 and 507 of the Bankruptcy Code, as supplemented by Bankruptcy Rules 2002, 6004, 6006 and 9014 for entry of an order (this “Bidding Procedures Order”): (i) approving bidding procedures in connection with the sale of substantially all assets of the Debtor (the “Purchased Assets”); (ii) scheduling a hearing to consider the sale of assets; (iii) approving the form and manner of notice thereof; and (iv) granting related relief; the Court having determined that the relief provided herein is in the best interest of the Debtor, its estate, creditors and other parties in interest; and due and adequate notice of the hearing on the Motion having been given under the circumstances; and upon the record of the hearing on the Motion, and the full record of these cases; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby:

FOUND AND DETERMINED THAT:

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

¹ Capitalized terms used but not otherwise defined herein shall have the meanings given in the Motion.

B. Good and sufficient notice of the hearing on 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 Debtor's proposed notice of the Bidding Procedures is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Auction (as defined in the Bidding Procedures), the sale of the Purchased Assets, and the Bidding Procedures to be employed in connection therewith.

D. The Debtor has articulated good and sufficient business reasons for this Court to approve the Bidding Procedures, including: (i) the scheduling of a bid deadline, auction and sale hearing for the sale of the Purchased Assets; and (ii) the establishment of procedures to fix the Cure Amounts to be paid under section 365 of the Bankruptcy Code in connection with the assumption, assignment and/or transfer of the Executory Contracts and Unexpired Leases.

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 Debtor, its estates, creditors, and other parties-in-interest.

NOW THEREFORE, IT IS HEREBY ORDERED 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.
3. The Bidding Procedures, in substantially the form attached hereto as Schedule 1,

are hereby incorporated herein and approved, and shall apply with respect to the sale of the Purchased Assets. The Debtor is authorized to take all actions necessary or appropriate to implement the Bidding Procedures. Notwithstanding the terms of this order, this order shall not apply to any sale by the Debtor of less than substantially all of its assets outside of the ordinary course of business.

4. As further described in the Bidding Procedures, the deadline for submitting all bids for the Purchased Assets (the “Bid Deadline”) is **January 4, 2016 at 12:00 noon (prevailing Central 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. MB Financial Bank, N.A. (the “Secured Lender”) is deemed a Qualified Bidder without further action.

5. The Debtor may sell the Purchased Assets by conducting an Auction in accordance with the Bidding Procedures. If Qualified Bids are timely received by the Debtor in accordance with the Bidding Procedures, the Auction shall take place on **January 6, 2016 at 10:00 a.m. (prevailing Central time)** at the offices of Perkins Coie LLP, 131 S. Dearborn Street, Suite 1700, Chicago, Illinois 60603, or such other place and time as the Debtor shall notify all Qualified Bidders, the Official Committee of Unsecured Creditors, if appointed (the “Official Committee”), and other invitees. If, however, no such Qualified Bid is received by the Bid Deadline, then the Auction will not be held.

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 **January 8, 2016 at 10:00 a.m.** or as soon thereafter as counsel and interested parties may be heard.

10. On or before three (3) business days after entry of this Bidding Procedures Order, or as soon thereafter as such parties can be identified, the Debtor will cause (i) a notice in substantially the form attached hereto as Schedule 2 (the “Notice of Auction and Sale Hearing”); and (ii) a copy of the Bidding Procedures Order to be sent by first-class mail postage prepaid, to the following: (a) the Office of the United States Trustee; (b) counsel for the Official Committee, if appointed; (c) counsel for MB Financial Bank, N.A.; (d) all taxing authorities and other governmental agencies having jurisdiction over any of the Purchased Assets, including the Internal Revenue Service; (e) all parties that have requested or that are required to receive special notice pursuant to Bankruptcy Rule 2002; (f) all Persons known or reasonably believed to have asserted any lien, claim, encumbrance, right of first refusal, or other Interest in or upon any of the Purchased Assets; (g) the non-debtor parties to the Executory Contracts and Unexpired Leases and any parties who are known to claim interests therein; (h) all Persons known or reasonably believed to have expressed an interest in acquiring some or all of the Purchased Assets; (i) the Attorneys General in the States where the Purchased Assets are located; (j) the United States Environmental Protection Agency; and (k) any applicable state environmental agency.

11. On or before three (3) business days after entry of the Bidding Procedures Order, the Debtor will: (a) serve the Notice of Auction and Sale Hearing on all known creditors of the Debtor; and (b) subject to applicable submission deadlines, publish the Notice of Auction and Sale Hearing once in one or more publications the Debtor deems appropriate.

12. On or December 4, 2015, the Debtor 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. The Notice of Assumption and Assignment shall identify the calculation of the cure amounts that the Debtor believes must be paid to cure all prepetition defaults under the Executory Contracts and Unexpired Leases (the “Cure Amounts”).

13. In addition, if the Debtor identifies additional executory contracts or unexpired leases that might be assumed by the Debtor and assigned to the Successful Bidder not set forth in the original Notice of Assumption and Assignment, the Debtor 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.

14. Unless the non-debtor party to an Executory Contract or Unexpired Lease files an objection (the “Cure Amount/Assignment Objection”) to (a) their scheduled Cure Amount and/or (b) to the proposed assumption, assignment and/or transfer of such Executory Contract or Unexpired Lease by the later of (i) 4:00 p.m. (prevailing Central time) on December 18, 2015 or (ii) ten (10) days after service of the relevant Supplemental Notice of Assumption and Assignment (such later date, the “Cure/Assignment Objection Deadline”) and serves a copy of the Cure Amount/Assignment Objection so as to be received no later than the Cure/Assignment Objection Deadline on the same day by: (i) counsel to the Debtor, Perkins Coie LLP, 131 S. Dearborn St., Suite 1700, Chicago, Illinois 60603, Attn: Dan Zazove and David Gold; (ii) counsel to MB Financial Bank, N.A., Arnstein & Lehr LLP, 120 South Riverside Plaza, Suite 1200, Chicago, IL 60606, Attn: Barry Chatz and David Golin; (iii) the office of the United States Trustee (Region 11), 219 S. Dearborn St., Suite 873, Chicago, Illinois 60604, Attn: Kimberly

Bacher; and (iv) counsel to the Official Committee of Unsecured Creditors, Duane Morris LLP, 190 S. LaSalle St., #3700, Chicago, IL 60603, Attn: Rosanne Ciambone (collectively, the “Notice Parties”); then such non-debtor party (i) will be forever barred from objecting to the Cure Amount and from asserting any additional cure or other amounts with respect to such Executory Contract and Unexpired Lease and the Debtor shall be entitled to rely solely upon the Cure Amount, and (ii) if the Executory Contract or Unexpired Lease was identified as a Purchased Asset by the Successful Bidder and/or Back-Up Bidder, will be deemed to have consented to the assumption, assignment and/or transfer of such Executory Contract and Unexpired Lease and will be forever barred and estopped from asserting or claiming against the Debtor, the Successful Bidder and/or the Back-Up Bidder, or any other assignee of the relevant Executory Contract or Unexpired Lease that any additional amounts are due or defaults exist, or conditions to assumption, assignment and/or transfer must be satisfied, under such Executory Contract or Unexpired Lease. Notwithstanding the foregoing, as provided below, each non-debtor party shall retain the right to object to the assumption, assignment or transfer of its Executory Contract and Unexpired Lease, based solely on the issue of whether the Successful Bidder or Back-Up Bidder can provide adequate assurance of future performance as required by Section 365 of the Bankruptcy Code.

15. If an objection challenges a Cure Amount, the objection must set forth the cure amount being claimed by the objecting party (the “Claimed Cure Amount”) with appropriate documentation in support thereof. Upon receipt of a Cure Amount/Assignment Objection, the Debtor is authorized, but not directed, to resolve any Cure Amount/Assignment Objection by mutual agreement with the objecting counterparty to any Executory Contract or Unexpired Lease without further order of the Court. In the event that the Debtor and any objecting party are

unable to consensually resolve any Cure Amount/Assignment Objection no later than January 5, 2016, the Court will resolve any such Cure Amount/Assignment Objection at the Sale Hearing.

16. The Debtor, the Successful Bidder or the Back-Up Bidder, 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 prior to the Sale Hearing, or, if the Court determines at any hearing on a Cure Amount/Assignment Objection that the applicable cure amount for such contract is greater than the Cure Amount proposed by the Debtor, no later than five (5) business days following such hearing. The non-debtor party or parties to any such excluded contract or lease will be notified of such exclusion by written notice mailed within two (2) business days of such determination.

17. On or before January 5, 2016, the Debtor will serve a notice identifying all Qualified Bidders to the non-debtor parties to the Executory Contracts and Unexpired Leases that have been identified in such Qualified Bids and providing contact information for those Qualified Bidders. The non-debtor parties to the Executory Contracts and Unexpired Leases may contact such Qualified Bidders to request information necessary for evaluating the Qualified Bidders' ability to perform under the relevant Executory Contract or Unexpired Lease. Such notice may be provided by electronic mail if a non-debtor party provides the Debtor with an electronic mail address for such purpose. The non-debtor parties to the Executory Contracts and Unexpired Leases will have until 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. Any such objections may be made orally at the Sale Hearing.

18. Objections to the sale of the Purchased Assets, or the relief requested in the

Motion must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) be filed with the clerk of the Bankruptcy Court for the Northern District of Illinois, Eastern Division, 219 S. Dearborn St., Room 713, Chicago, Illinois 60604, on or before 4:00 p.m. (prevailing Central time) on January 7, 2016; and (d) be served so as to be received no later than 4:00 p.m. (prevailing Central time) on the same day, upon the Notice Parties. All objections must state with specificity the nature of such objection and will be heard by the Court at the Sale Hearing.

19. The Notice of Auction and Sale Hearing and the Notice of Assumption, and Assignment 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.

20. 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.

21. Except as otherwise provided in this Bidding Procedures Order, the Debtor further reserves the right as they may reasonably determine to be in the best interests of its estate, subject to conformity with the Bidding Procedures, and in consultation with the Secured Lender and the Official Committee, if appointed, to: (a) determine which bidders are Qualified Bidders; (b) determine which bids are Qualified Bids; (c) determine which Qualified Bid is the highest and best proposal and which is the next highest and best proposal; (d) reject any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bidding Procedures or the requirements of the Bankruptcy Code, or (iii) contrary to the best interests of the Debtor and its estate; (e) remove some of the Purchased Assets from the Auction; (f) waive terms and

conditions set forth herein with respect to all potential bidders; (g) impose additional terms and conditions with respect to all potential bidders; (h) extend the deadlines set forth herein; (i) adjourn or cancel the Auction and/or Sale Hearing in open court without further notice; and (j) modify the Bidding Procedures as the Debtor may determine to be in the best interest of its estate or to withdraw the Motion at any time with or without prejudice.

22. 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.

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

Dated: _____

UNITED STATES BANKRUPTCY JUDGE

SCHEDULE 1

BIDDING PROCEDURES

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:) Chapter 11
) Case No. 15-35358
LB STEEL, LLC,)
) Honorable Janet S. Baer
Debtor.)

BIDDING PROCEDURES

By motion dated October 19, 2015,¹ the above-captioned debtor and debtor-in-possession (the “Debtor”) sought approval of, among other things, the procedures through which it will determine the highest or otherwise best price for the sale (collectively, the “Sale”) of substantially all of the assets the Debtor (collectively, the “Purchased Assets”).

On _____, 2015, the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division (the “Court”) entered an order (the “Bidding Procedures Order”), which, among other things, authorized the Debtor to determine the highest or otherwise best bid for the Purchased Assets through the process and procedures set forth below (the “Bidding Procedures”). The Debtor reserves the right to modify the Bidding Procedures, in consultation with the Official Committee of Unsecured Creditors, if appointed (the “Official Committee”) and MB Financial Bank, N.A. (the “Secured Lender”), provided that any such modification shall not be inconsistent with the terms of the Motion.

The Sale will be subject to competitive bidding as set forth herein and approval of the Court pursuant to sections 363 and 365 of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

Assets to be Sold

The Purchased Assets generally constitute all of the operating assets of LB Steel, LLC, including all real property owned by the Debtor, along with certain real property leases. The Debtor will offer to sell the Purchased Assets, together or separately, to one of more bidders. The Debtor shall consider bids for either all or a significant part of the Purchased Assets.

Participation Requirements

In order to participate in the bidding process or otherwise be considered for any purpose hereunder, a person interested in some or all of the Purchased Assets (a “Potential Bidder”) must first deliver the following materials to the Debtor and its counsel:

- i. an executed confidentiality agreement in form and substance satisfactory to the Debtor and its counsel; and

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

- ii. For a party to be considered a Potential Bidder, such party must demonstrate to the Debtor a reasonable likelihood of an ability to close on a purchase of the Seller Assets in a timely manner in accordance with the terms of these Bidding Procedures. The Debtor may, in its discretion and in the exercise of its business judgment, require that such parties demonstrate the legitimacy of their interest by, among other things, requiring them to provide proof of access to funds and/or committed capital sufficient to finance the proposed transaction. The Debtor's secured lender shall be deemed a Qualified Bidder upon submission of a credit bid, which shall be deemed a Qualified Bid.
- iii. The Debtor will promptly advise each Potential Bidder in writing of the Debtor's determination whether or not the Potential Bidder is a Qualified Bidder. Written notice of such decision shall be provided to counsel for the Official Committee, if appointed, and the Secured Lender.

Bid Requirements

The Debtor in consultation with its Secured Lender and the Official Committee, if appointed, shall determine whether a bid qualifies as a "Qualified Bid." To constitute a Qualified Bid, a bid must be a written irrevocable offer from a Qualified Bidder and:

- i. include a cover letter identifying whether the Qualified Bidder is interested in purchasing some or all of the Purchased Assets. If the Qualified Bidder is submitting a bid only with respect to certain assets, such cover letter must specify which assets the Qualified Bidder is seeking to purchase and whether or not such bid is contingent on purchasing all of the identified assets;
- ii. state that the Qualified Bidder offers to consummate the sale pursuant a Purchase Agreement substantially in the form of the Purchase Agreement to be provided by the Debtor prior to the Bid Deadline (the "Marked Purchase Agreement"). If any bid is conditioned on the assumption and assignment of executory contracts and/or unexpired leases, then such potential bidder shall be required to provide evidence of its ability to provide adequate assurance of future performance of such contracts or leases along with the bid;
- iii. be an all-cash bid;
- iv. contain a list of the Debtor's executory contracts and unexpired leases with respect to which the bidder seeks assignment from the Debtor;
- v. confirm that the offer shall remain open and irrevocable as provided below;
- vi. enclose a clean signed copy of the proposed Marked Purchase Agreement and a blacklined copy to the Purchase Agreement proposed by the Debtor;
- vii. be accompanied by a certified or bank check or wire transfer in an amount equal to the greater of \$1,000,000 and five percent (5%) of the proposed purchase price set forth in the bid as a minimum good faith deposit (the "Minimum Deposit"), which

Minimum Deposit shall be used to fund a portion of the purchase price provided for in the bid;

- viii. not be conditioned on obtaining financing or the outcome of any due diligence by the Qualified Bidder; and
- ix. fully disclose the identity of each entity that will be bidding for the Purchased Assets or otherwise participating in connection with such bid, and the complete terms of any such participation.

A bid received from a Qualified Bidder that meets the requirements set forth above which is timely received will be considered a Qualified Bid if the Debtor believes that such bid would be consummated if selected as a Successful Bid (defined below).

After the Bid Deadline (defined below), and in consultation with the Official Committee, if appointed, and the Secured Lender, the Debtor shall determine which Qualified Bid or combination of Qualified Bids represents the then-highest or otherwise best bid for the Purchased Assets (the "Starting Qualified Bid").

Prior to the commencement of the Auction, the Debtor shall distribute copies of the Starting Qualified Bid to each Qualified Bidder.

The Debtor reserves the right to seek Court approval for a stalking horse bidder.

Bid Deadline

The final deadline for submitting all bids on the Purchased Assets by a Potential Bidder shall be January 4, 2016 at 12:00 noon (prevailing Central time) (the "Bid Deadline").

A Potential Bidder that desires to make a bid must deliver written and electronic copies of their bid so that they are actually received prior to the Bid Deadline by: (i) counsel to the Debtor, Perkins Coie LLP, 131 S. Dearborn St., Suite 1700, Chicago, Illinois 60603, Attn: Dan Zazove and David Gold; (ii) the Debtor's investment banker, Livingstone Partners, LLC, 443 North Clark Street, Chicago, Illinois 60654, Attn: Joseph Greenwood; (iii) counsel to MB Financial Bank, N.A., Arnstein & Lehr LLP, 120 South Riverside Plaza, Suite 1200, Chicago, IL 60606, Attn: Barry Chatz and David Golin; (iv) the office of the United States Trustee (Region 11), 219 S. Dearborn St., Suite 873, Chicago, Illinois 60604, Attn: Kimberly Bacher; and (v) counsel for the Official Committee of Unsecured Creditors, Duane Morris LLP, 190 S. LaSalle St., #3700, Chicago, IL 60603, Attn: Rosanne Ciambrone

After the Bid Deadline, each Qualified Bidder that submits a Qualified Bid will be provided with a copy of any other Qualified Bid(s).

Obtaining Due Diligence Access

The Debtor shall afford each Qualified Bidder reasonable due diligence information. Site access shall be provided upon reasonable request to the Debtor at the discretion of the

Debtor within its reasonable business judgment. The due diligence period will end on the Bid Deadline.

The Debtor shall not be obligated to furnish any information relating to the Debtor, the Purchased Assets, and/or the Sale to any person except to a Qualified Bidder. The Debtor shall give each Qualified Bidder reasonable access to all written due diligence information provided to another Qualified Bidder.

The Debtor shall coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders. No conditions relating to the completion of due diligence shall be permitted to exist after the Bid Deadline.

Due Diligence From Potential Bidders

Each Potential Bidder shall comply with all reasonable requests for additional information by the Debtor or its advisors regarding such Potential Bidder's financial wherewithal to consummate and perform obligations in connection with the Sale. Failure by the Potential Bidder to comply with requests for additional information may be a basis for the Debtor to determine that a bid made by the Potential Bidder is not a Qualified Bid.

“As Is, Where Is”

The Sale of the Purchased Assets shall be on an “as is, where is” basis and without representations or warranties of any kind, nature or description by the Debtor, its agents or estates, except to the extent set forth in the purchase agreement between the Debtor and the Successful Bidder. All of the Debtor's right, title and interest in and to the Purchased Assets shall be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon (collectively, the “Interests”), with such Interests to attach to the net proceeds of the Sale of the Purchased Assets, with the same validity and priority as existed immediately prior to such Sale.

Each bidder shall be deemed to acknowledge and represent that it has had an opportunity to inspect and examine the Purchased Assets prior to making their offer, that it has relied solely upon their own independent review, investigation and/or inspection of any documents in making their bid, and that it did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Purchased Assets or the completeness of any information provided in connection with the bidding process, in each case except as expressly stated in the Marked Purchase Agreement.

The Auction

If more than one Qualified Bid by a Qualified Bidder is received by the Bid Deadline, an auction (the “Auction”) with respect to the sale of the Purchased Assets shall take place on **January 6, 2016 at 10:00 a.m. (prevailing Central time)** at the offices of Perkins Coie LLP, 131 S. Dearborn St., Suite 1700, Chicago, Illinois 60603, or at such other place and time as the

Debtor shall notify all Qualified Bidders, any statutory committee appointed in these cases, and other invitees. If, however, no such Qualified Bids are received by the Bid Deadline, then the Auction will not be held.

Auction Rules.

- i. Only Qualified Bidders who have submitted a Qualified Bid and their authorized representatives will be eligible to participate at the Auction. The Secured Lender shall be deemed a Qualified Bidder upon submission of a credit bid, which shall be deemed a Qualified Bid. Only Qualified Bidders who have submitted a Qualified Bid will be permitted to increase their bids at the Auction. The bidding at the Auction shall start at the purchase price stated in the highest or otherwise best Qualified Bid (or combination of Qualified Bids) as disclosed to all Qualified Bidders prior to commencement of the Auction (the “Starting Qualified Bid”), and then continue in minimum increments to be announced at the Auction (the “Overbid Increment”). The Debtor shall not consider any subsequent bid at the Auction unless it exceeds the previous highest bid by at least the Overbid Increment; provided, however, that in the event the Debtor selects a combination of Qualified Bids to serve as the Starting Qualified Bid, the Debtor reserves the right to determine an appropriate Overbid Increment for each asset or lot of assets to be sold at the Auction in consultation with the Official Committee and the Secured Lenders. During the course of the Auction, the Debtor shall inform each participant which Qualified Bid(s) reflects, in the Debtor’s view, the highest or otherwise best offer or combination of offers for the Purchased Assets.
- ii. Adjournment of Auction. The Auction may be adjourned as the Debtor deems appropriate in consultation with the Official Committee, if appointed, and the Secured Lender. Reasonable notice of such adjournment and the time and place for the resumption of the Auction shall be given to all Qualified Bidders that have submitted a Qualified Bid and counsel to any statutory committee appointed in this case.
- iii. 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.
- iv. Bidding at the Auction will be transcribed or videotaped.

Other Terms

All Qualified Bids, the Auction, and the Bidding Procedures are subject to such additional terms and conditions as are announced by the Debtor and are not inconsistent with the Bidding Procedures Order. At the conclusion of the Auction, the Debtor shall announce the bid or combination of bids made pursuant to the Bidding Procedures Order that represents the highest or otherwise best offer for all of the Purchased Assets (the “Successful Bid”). Prior to the entry of the Sale Order, the Debtor shall announce the identity of the Qualified Bidder or combination of Qualified Bidders who submitted the Successful Bid at the Auction (the “Successful Bidder”) and announce its intention to either (i) pursue a transaction with the

Successful Bidder, or (ii) not proceed with a sale to the Successful Bidder. If an Auction is held, the Debtor shall be deemed to have accepted a Qualified Bid only when (i) such bid is declared the Successful Bid at the Auction, (ii) definitive documentation has been executed in respect thereof, and (iii) the Court has approved the Sale to the Successful Bidder. Such acceptance by the Debtor is conditioned upon approval by the Court of the Successful Bid and the entry of an order approving such Successful Bid.

Irrevocability of Certain Bids

The Successful Bid shall remain irrevocable in accordance with the terms of the purchase agreement executed by the Successful Bidder. The bid of the Qualified Bidder or combination of Qualified Bidders (the “Back-Up Bidder”) that submits the next highest or otherwise best bid or combination of bids (the “Back-Up Bid”) shall be irrevocable until the earlier of: (i) 15 days after entry of the Sale Order approving the Successful Bid; (ii) closing of the sale to the Successful Bidder; and (iii) such date as the Debtor affirms in writing that the Debtor does not intend to proceed with a sale to the Successful Bidder. Following the 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 Bid will be deemed to be the new Successful Bid, and the Debtor will be authorized, but not required, to consummate the Sale with the Back-Up Bidder without further order of the Court. In such case, the defaulting Successful Bidder’s Minimum Deposit shall be forfeited to the Debtor and the Debtor shall have the right to seek any and all other remedies and damages from the defaulting Successful Bidder.

The Debtor will present the results of the Auction to the Bankruptcy Court at the Sale Hearing (as defined below), at which time certain findings will be sought from the Bankruptcy Court regarding the Auction, including, among other things, that (i) the Auction was conducted and the Successful Bidder was selected in accordance with these Bidding Procedures, (ii) the Auction was fair in substance and procedure, and (iii) consummation of the Sale contemplated by the Successful Bid will provide the highest or otherwise best value for the Purchased Assets and is in the best interests of the Debtor and its creditors.

Sale Hearing

The Court shall conduct a hearing to approve the sale of the Debtor’s assets on **January 8, 2016 at 10:00 a.m.** before the Honorable Judge Janet S. Baer in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, 219 S. Dearborn St., Room 615, Chicago, Illinois 60604 (the “Sale Hearing”).

Return of Deposit

Except as otherwise provided in this paragraph with respect to any Successful Bid and any Back-Up Bid, the Minimum Deposits of all Qualified Bidders that submitted such a deposit under the Bidding Procedures shall be returned upon or within five (5) business days after the Auction. The Minimum Deposit of the Successful Bidder shall be held until the closing of the Sale of the Purchased Assets and applied in accordance with the Successful Bid. The Minimum Deposit of the Back-Up Bidder shall be returned upon or within the earlier of 15 days after the date of the Sale Hearing (the “Outside Back-Up Date”) or the

closing of the Sale of the Purchased Assets to the Successful Bidder.

Failure to Close

If the Successful Bidder fails to consummate the transaction in accordance with the terms of the purchase agreement executed by the Successful Bidder by the closing date contemplated in the purchase agreement agreed to by the parties for any reason, the Debtor shall: (i) retain the Successful Bidder's Minimum Deposit as partial liquidated damages; (ii) maintain the right to pursue all other available remedies, whether legal or equitable; and (iii) be free to consummate the proposed transaction with the Back-Up Bidder at the highest price bid by the Back-Up Bidder at the Auction, without the need for an additional hearing or Order of the Court.

Reservation of Rights

Except as otherwise provided in the Bidding Procedures Order, and in consultation with the Secured Lender and the Official Committee, if appointed, the Debtor reserves the right as they may reasonably determine to be in the best interests of their estates, to: (i) determine which bidders are Qualified Bidders; (ii) determine which bids are Qualified Bids; (iii) determine which Qualified Bid or combination of Qualified Bids is the highest and best proposal and which is the next highest and best proposal; (iv) 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 Debtor and its estate; (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) impose additional terms and conditions with respect to all potential bidders; (viii) extend the deadlines set forth herein; (ix) adjourn or cancel the Auction and/or Sale Hearing in open court without further notice; (x) modify the Bidding Procedures as the Debtor may determine to be in the best interests of its estate or to withdraw the Motion at any time with or without prejudice; and (xi) conduct the Auction in such manner and on such terms as the Debtor believes, in consultation with counsel to the Official Committee of Unsecured Creditors, is in the best interests of the Debtor and its estate.

Expenses

Except as otherwise ordered by the Court, any bidders presenting bids shall bear their own expenses in connection with the proposed sale, whether or not such sale is ultimately approved, in accordance with the terms of the purchase agreement.

SCHEDULE 2

NOTICE OF AUCTION AND SALE HEARING

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:) Chapter 11
) Case No. 15-35358
LB STEEL, LLC,)
Debtor.) Honorable Janet S. Baer

NOTICE OF AUCTION AND SALE HEARING

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On October 18, 2015, the above-captioned debtor and debtor-in-possession (the “Debtor”) filed a motion [*Docket No.* ____] for entry of orders, among other things: (i) approving Bidding Procedures (the “Bidding Procedures”) in connection with the sale (the “Sale”) of all or substantially all assets of the Debtor (ii) scheduling a hearing (the “Sale Hearing”) to consider the sale of the Purchased Assets and setting objection and bidding deadlines with respect to the Sale; (iii) approving the form and manner of notice of the Auction for the Purchased Assets and the Sale Hearing; and (iv) granting related relief. The Motion additionally requests entry of an order or orders: (i) authorizing the sale of the Purchased Assets free and clear of liens, claims, encumbrances, and interests; (ii) approving the assumption, assignment and/or transfer of Executory Contracts and Unexpired Leases; and (iii) granting related relief.

2. The Debtor seeks to sell the Purchased Assets to the Successful Bidder or Back-Up Bidder. Approval of the sale of assets to either the Successful Bidder or Back-Up Bidder may result in, among other things, the assumption, assignment and/or transfer by the Debtor of certain executory contracts and leases. If you are a party to an executory contract or lease with the Debtor, 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 lease.

3. On _____, 2015, the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division entered the Bidding Procedures Order. Pursuant to the Bidding Procedures Order, if the Debtor receives any Qualified Bids (as defined in the Bidding Procedures), the Auction for the Purchased Assets shall take place on **January 6, 2016 at 10:00 a.m. (prevailing Central time)** at the offices of Perkins Coie LLP, 131 S. Dearborn St., Suite 1700, Chicago, Illinois 60603. 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 **January 4, 2016 at 12:00 noon (prevailing Central time)** (the “Bid Deadline”) may participate at the respective auction. Any party that wishes to take part in this process and submit a bid for the Purchased Assets must submit their competing bid prior to the Bid Deadline and in accordance with the Bidding Procedures.

4. The Sale Hearing to consider approval of the Sale of the Purchased Assets to the Buyer or such other Successful Bidder or Back-Up Bidder free and clear of all liens, claims, and encumbrances will be held before the Honorable Janet S. Baer United States Bankruptcy Judge, 219 S. Dearborn St., Room 615; Chicago, Illinois 60604 on **January 8, 2016 at**

10:00 a.m. (prevailing Central time), 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.

5. Objections, if any, to the Sale, 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 Bankruptcy Court for the Northern District of Illinois, Eastern Division, 219 S. Dearborn St., Room 713, Chicago, Illinois 60604, on or before **4:00 p.m. (prevailing Central time) on January 7, 2016** or such later date and time as the Debtor may agree; and (d) be served so as to be received no later than 4:00 p.m. (prevailing Central time) on the same day, upon (i) counsel to the Debtor, Perkins Coie LLP, 131 S. Dearborn St., Suite 1700, Chicago, Illinois 60603, Attn: Dan Zazove and David Gold; (ii) counsel to MB Financial Bank, N.A., Arnstein & Lehr LLP, 120 South Riverside Plaza, Suite 1200, Chicago, IL 60606, Attn: Barry Chatz and David Golin; (iii) the office of the United States Trustee (Region 11), 219 S. Dearborn St., Suite 873, Chicago, Illinois 60604, Attn: Kimberly Bacher; and (iv) counsel for the Official Committee of Unsecured Creditors, Duane Morris LLP, 190 S. LaSalle St., #3700, Chicago, IL 60603, Attn: Rosanne Ciambrone.

UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY DISREGARD IT AND THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER HEARING AND NOTICE.

6. This Notice and the Sale Hearing is subject to the terms and conditions of the Motion, the Bidding Procedures Order, and the Bidding Procedures, which shall control in the event of any conflict and the Debtor encourages 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 counsel to the Debtor, Perkins Coie LLP, 131 S. Dearborn St., Suite 1700, Chicago, Illinois 60603, Attn: Dan Zazove and David Gold. In addition, copies of the Motion, the Bidding Procedures Order and this Notice can be found on the Court's case management website [<http://ecf.ilnb.uscourts.gov>].

Dated: _____, 2015

LB STEEL, LLC,

By: _____

PERKINS COIE LLP

Daniel A. Zazove

David J. Gold

131 S. Dearborn Street, Suite 1700

Chicago, Illinois 60603-5559

Telephone: (312) 324-8400

Facsimile: (312) 324-9400

Proposed Attorneys for the Debtor

SCHEDULE 3

NOTICE OF ASSUMPTION, ASSIGNMENT AND/OR TRANSFER

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:) Chapter 11
) Case No. 15-35358
LB STEEL, LLC,)
) Honorable Janet S. Baer
Debtor.)

NOTICE OF ASSUMPTION, ASSIGNMENT AND/OR TRANSFER

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On _____, 2015, the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division (the “Bankruptcy Court”) entered an order (the “Bidding Procedures Order”),¹ pursuant to sections 363, 365, 503 and 507 of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure in the chapter 11 cases of the above-captioned debtor and debtor-in-possession (the “Debtor”) approving, among other things, the fixing of cure amounts (the “Cure Amounts”) related to the Debtor’s potential assumption, assignment and/or transfer of certain executory contracts, unexpired leases, and other agreements (the “Assumed Agreements”) listed on **Exhibit A** annexed hereto in connection with the sale of certain of the Debtor’s assets (the “Purchased Assets”). The Debtor may assume, assign, and/or transfer the Assumed Agreements to the Successful Bidder or Back-Up Bidder for the Purchased Assets under the bidding procedures (the “Bidding Procedures”) approved by the Bankruptcy Court and attached to the Bidding Procedures Order as **Schedule 1**.

2. The Debtor believes that any and all defaults (other than the filing of this Chapter 11 Case) and actual pecuniary losses under the Assumed Agreements 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 Assumed Agreement, or (ii) the amount asserted as the 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 that the objecting party believes should be paid in connection with the assumption of the Assumed Agreement (the “Claimed Cure Amount”). In addition, if the Debtor identifies additional executory contracts or unexpired leases that might be assumed by the Debtor and assigned to the Successful Bidder or Back-Up Bidder not set forth in the original Notice of Assumption and Assignment, the Debtor 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.

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures Order.

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) counsel to the Debtor, Perkins Coie LLP, 131 S. Dearborn St., Suite 1700, Chicago, Illinois 60603, Attn: Dan Zazove and David Gold; (ii) counsel to MB Financial Bank, N.A., Arnstein & Lehr LLP, 120 South Riverside Plaza, Suite 1200, Chicago, IL 60606, Attn: Barry Chatz and David Golin; (iii) the office of the United States Trustee (Region 11), 219 S. Dearborn St., Suite 873, Chicago, Illinois 60604, Attn: Kimberly Bacher; and (iv) counsel for the Official Committee of Unsecured Creditors, Duane Morris LLP, 190 S. LaSalle St., #3700, Chicago, IL 60603, Attn: Rosanne Ciambone, by the later of (i) 4:00 p.m. (prevailing Central time) on December 18, 2015 or (ii) ten (10) days after service of the relevant Supplemental Notice of Assumption and Assignment.

5. If a Cure Amount/Assignment Objection is timely filed, the Debtor may, in its sole discretion, resolve any Cure Amount/Assignment Objection by mutual agreement with the objecting counterparty to any Executory Contract or Unexpired Lease without further order of the Court. In the event that the Debtor and any objecting party are unable to consensually resolve any Cure Amount/Assignment Objection, a hearing with respect to that objection shall be held before the Honorable Janet S. Baer United States Bankruptcy Judge, United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, 219 S. Dearborn St., Room 615, Chicago, Illinois 60604 at such date and time as the Debtor may schedule with the Court.

6. Unless the Cure Amount/Assignment Objection is timely filed and served, the assumption, assignment and/or transfer of the applicable Assumed Agreement will proceed without further notice at the hearing to approve the sale of the Purchased Assets.

7. Notwithstanding the foregoing each non-debtor party shall retain the right to object to the assumption, assignment or transfer of its Executory Contract and Unexpired Lease, based solely on the issue of whether the Successful Bidder or Back-Up Bidder can provide adequate assurance of future performance as required by Section 365 of the Bankruptcy Code. On or before January 5, 2016, the Debtor will serve a notice identifying all Qualified Bidders to the non-debtor parties to the Executory Contracts and Unexpired Leases that have been identified in such Qualified Bids and providing contact information for those Qualified Bidders. The non-debtor parties to the Executory Contracts and Unexpired Leases may contact such Qualified Bidders to request information necessary for evaluating the Qualified Bidders' ability to perform under the relevant Executory Contract or Unexpired Lease. Such notice may be provided by electronic mail if a non-debtor party provides the Debtor with an electronic mail address for such purpose. The non-debtor parties to the Executory Contracts and Unexpired Leases will have until 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. Any such objections may be made orally at the Sale Hearing.

8. 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, the

Successful Bidder or Back-Up Bidder cure amounts different from the Cure Amounts listed on **Exhibit A** attached hereto and shall be forever barred and estopped from asserting or claiming against the Debtor, the Successful Bidder or Back-Up Bidder, or any assignee of any Assumed Agreement that any additional amounts are due or defaults exist, or prohibitions or conditions to assignment exist or must be satisfied, under such Assumed Agreement.

9. The Debtor, the Successful Bidder or the Back-Up Bidder, 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 prior to the Sale Hearing, or, if the Court determines at any hearing on a Cure Amount/Assignment Objection that the applicable cure amount for such contract is greater than the Cure Amount proposed by the Debtor, no later than five business days following such hearing. The non-debtor party or parties to any such excluded contract or lease will be notified of such exclusion by written notice mailed within two business days of such determination.

10. If no Cure Amounts are due under an Assumed Agreement, and the non-debtor party to the Assumed Agreement does not otherwise object to the Debtor's assumption, assignment and/or transfer of the Assumed Agreement, no further action needs to be taken on the part of that non-debtor party.

11. Copies of the Bidding Procedures Order and other relevant documents are posted on the Court's website, <http://ecf.ilnb.uscourts.gov>.

12. The Debtor's decision to sell, assign and/or transfer to the Successful Bidder or Back-Up Bidder the Assumed Agreements is subject to Court approval and the Closing. Accordingly, absent such Closing, any of the Assumed Agreements 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 Assumed Agreements shall not constitute or be deemed to be a determination or admission 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: _____, 2015

LB STEEL, LLC,

By: _____
PERKINS COIE LLP
Daniel A. Zazove
David J. Gold
131 S. Dearborn Street, Suite 1700
Chicago, Illinois 60603-5559
Telephone: (312) 324-8400
Facsimile: (312) 324-9400

Proposed Attorneys for the Debtor