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DATED: 12-8-05
ATTEST: [Signature]
Deputy Clerk

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UTAH COUNTY RECORDER
2005 Dec 23 1:31 pm FEE 254.00 BY SB
RECORDED FOR INTEGRATED TITLE INSURANCE

Attorneys for the
Chapter 11 Trustee, James T. Markus

IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF UTAH, CENTRAL DIVISION

In re:)
)
GENEVA STEEL, LLC,) Chapter 11
)
Debtor.) Case No. 02-21455 (GEC)
Tax ID # 87-0665502)

ORDER (i) APPROVING THE SALE OF CERTAIN ASSETS FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES PURSUANT TO 11 U.S.C. §§ 105(a), 363(b), (f) AND (m) AND 1146(c), AND FED. R. BANKR. P. 2002, 6004 AND 6006 TO THE MAKER OF SUCH HIGHEST AND BEST OFFER; (ii) AUTHORIZING THE ASSUMPTION OR REJECTION OF CERTAIN EXECUTORY CONTRACTS OR UNEXPIRED LEASES IN CONNECTION THEREWITH PURSUANT TO 11 U.S.C. § 365; (iii) APPROVING THE ASSET PURCHASE AGREEMENT BY AND BETWEEN THE MAKER OF SUCH HIGHEST AND BEST OFFER, AND JAMES T. MARKUS, NOT PERSONALLY BUT SOLELY AS TRUSTEE; AND (iv) GRANTING RELATED RELIEF

Upon the motion, docket number 1955 (the "**Sale Motion**"), of James T. Markus, the duly appointed chapter 11 trustee ("**Trustee**") for the estate (the "**Estate**") of Geneva Steel, LLC (the "**Debtor**"), for the entry of an order (the "**Approval Order**") pursuant to sections 105(a) and 363(b), (f) and (m), 365 and 1146(c) of the Bankruptcy Reform Act of 1978, as codified in Title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (the "**Bankruptcy Code**"), and Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") 2002, 6004 and 6006, (A) authorizing the sale of certain of the Estate's assets, including without limitation, approximately 1,700 acres of property located in Vineyard, Utah (the "**Utah Property**"), and certain contracts, leases, permits, emission reduction credits and records pertaining to the property (collectively, including the Utah Property, the "**Assets**") to Utah Lake or to the maker of the highest and best offer pursuant to the Bid Procedures Order free and clear of all liens, claims, interests and encumbrances; (B) authorizing the assumption or rejection of certain executory contracts or unexpired leases; (C) approving a certain Asset Purchase Agreement substantially in the form attached as Exhibit A to the Sale Motion; and (D) granting related relief;¹ it appearing that proper and adequate notice of the Sale Motion has been given; it appearing that no other or further notice need be given; a hearing on the Sale Motion having been held before this Court on November 21-22, 2005, all objections raised to the Sale Motion having been resolved, overruled

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Order Approving Bid Procedures, Auction Procedures, Breakup Fee and Overbid Protections approved by the Court on August 1, 2005 ("**Bid Procedures Order**") or to the extent not defined in the Bid Procedures Order, the Sale Motion. With respect to any conflict between the definitions, terms or provisions of this Approval Order, the Bid Procedures Order, the Sale Motion or the Closing Buyer Bid (as defined herein), the definitions, terms and provisions of this Approval Order shall control.

or withdrawn; upon the record of the Sale Hearing; and after due deliberation thereon and good cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:²

A. This Court has jurisdiction to hear and determine the Sale Motion pursuant to 28 U.S.C. §§ 157 and 1134.

B. Venue of this case (the "Chapter 11 Case") in this district is proper pursuant to 28 U.S.C. § 1409(a).

C. Determination of the Sale Motion is a core proceeding under 28 U.S.C. § 157(b)(2)(A) and (N). The statutory predicates for the relief requested herein are sections 105(a), 363(b), (f), and (m), 365 and 1146(c) of the Bankruptcy Code and Rules 2002, 6004, and 6006, Federal Rules of Bankruptcy Procedure.

D. On August 1, 2005, the Court entered the Bid Procedures Order. The Trustee, in cooperation with the Official Committee of Unsecured Creditors (the "Committee") and its financial advisor, extensively marketed the Assets to qualified prospective purchasers through a variety of channels. The solicitations by the Trustee and the Committee and their advisors in connection with the marketing of the Assets were adequate and reasonable to obtain the highest and best price for the Assets. In accordance with the Bid Procedures Order, an Auction was commenced on November 17, 2005, and deemed closed on November 17, 2005.

E. At the conclusion of the Auction, Anderson Geneva, LLC (the "Buyer") was determined by the Trustee, after consultation with the Committee and the Secured Lenders in

² Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Federal Rules of Bankruptcy Procedure 7052.

accordance with the Bid Procedures Order, to be the maker of the highest and best bid for the Assets. The highest and best offer from the Buyer, as specified in the Buyer's written purchase agreement as it may have been improved or modified at the Auction (the "**Winning Bid**"), constitutes the highest and best offer for the Assets at \$46,800,000. A true and accurate copy of the Winning Bid is attached hereto as **Exhibit A**.

F. At the conclusion of the Auction, Utah Lake Development, LLC (the "**Backup Buyer**") was determined by the Trustee, after consultation with the Committee and the Lenders in accordance with the Bid Procedures Order, to be the maker of the second highest and best bid for the Assets at \$46,550,000. The second highest and best offer from the Backup Buyer, as specified in the Backup Buyer's written purchase agreement as it may have been improved at the Auction (the "**Backup Bid**"), constitutes the second highest and best offer for the Assets. A true and accurate copy of the Backup Bid is attached hereto as **Exhibit B**.

G. The "**Closing Buyer**" shall mean the entity which ultimately closes the sale of the Assets, whether that is the Buyer pursuant to the Winning Bid or the Backup Buyer pursuant to the Backup Bid. The "**Closing Buyer Bid**" means the bid of the Closing Buyer (the Winning Bid or the Backup Bid, as the case may be).

H. The consideration, including the payment of the purchase price, the assumption of the Assumed Liabilities, and any other consideration specified in the Closing Buyer Bid, constitutes fair and reasonable consideration and reasonably equivalent value for the Assets under the Bankruptcy Code and applicable state law. Approval of the Closing Buyer Bid and the sale of the Assets (the "**Sale**") in accordance with the Sale Motion, the Trustee's Motion for Order Authorizing and Allowing Debtor to Assume and Assign Certain Executory Contracts and

Unexpired Leases, docket number 2093 (the "Assumption Motion"), and the Trustee's Motion for Order Authorizing and Allowing Debtor to Reject Certain Executory Contract and Unexpired Leases, docket number 2091 (the "Rejection Motion"), are in the best interests of the Estate and its creditors. The terms of the Closing Buyer Bid were negotiated at arm's length, without collusion, and are fair and reasonable.

I. Proper, timely, adequate, and sufficient notice of the Sale Motion, the proposed Sale, the Sale Hearing, and the Sale of the Assets has been provided in accordance with section 102(1) and section 363(b) of the Bankruptcy Code and Rules 2002, 6004, 6006, 9007, and 9008, Federal Rules of Bankruptcy Procedure, and no other or further notice of the Sale Motion, the Assumption Motion, the Rejection Motion, the hearings thereon, or of the entry of this Approval Order is required or necessary.

J. A reasonable opportunity to object or be heard regarding the relief requested in the Sale Motion has been afforded to all interested persons and entities and all objections to the Sale Motion were resolved, withdrawn or overruled on the merits at the Sale Hearing.

K. The Trustee has demonstrated good, sufficient and sound business purposes for the Sale of the Assets pursuant to section 363(b) of the Bankruptcy Code prior to confirmation of a plan of reorganization and, in that, among other things:

a. an expeditious sale of the Assets will maximize the value of Estate and distributions to creditors in this Chapter 11 Case;

b. absent a prompt sale, the Estate will (i) continue to incur costs of approximately \$1,000,000 to \$1,500,000 per month associated with holding the Assets and which costs are likely unrecoverable; and (ii) likely suffer from the uncertainty, delay and risks associated with holding these non-liquid Assets which are subject to numerous and unquantifiable market forces significantly affecting the value of the Assets and therefore the recovery to creditors herein;

c. the Purchase Price is the highest and best offer that the Trustee has received for the Assets to date; and

d. The Committee consents to and supports the Sale.

1. The Sale of the Assets does not impermissibly restructure the rights of the creditors of the Estate or dictate the terms of a liquidating plan for the Debtor. Rather, the Sale of the Assets is a prerequisite to the Debtor's ability to confirm a liquidating plan because it preserves value for the benefit of creditors that otherwise would be lost to them, and the Sale is in contemplation of a plan of liquidation and will be incorporated therein.

M. The Trustee is authorized and directed to sell and transfer the Assets free and clear of all Claims (as that term is defined herein) in accordance with the terms of this Order because, as required by section 363(f) of the Bankruptcy Code, the Trustee has satisfied at least one of the following conditions with respect to each Claim:

- (1) applicable non-bankruptcy law permits the Sale of the Assets free and clear of such Claims;
- (2) such person or entity holding a Claim has consented;
- (3) such Claim is a lien and the price at which such Assets is to be sold is greater than the aggregate value of all liens on such Assets;
- (4) such Claim is in bona fide dispute; or
- (5) such entity holding a Claim could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

N. The Winning Bid and the Backup Bid were each negotiated, proposed, and entered into by the respective parties in good faith, from arm's length bargaining positions and without collusion. Neither the Buyer nor the Backup Buyer is an "insider" or an "affiliate" of the Debtor (as each such term is defined in the Bankruptcy Code). Neither the Trustee, nor the Buyer, nor the Backup Buyer has engaged in any conduct that would prevent the application of section 363(m) of the Bankruptcy Code or ~~cause the application of section 363(n) of the~~ ^{M.E.C.}

~~Bankruptcy Code~~ to the Sale and the transactions contemplated by the Winning Bid or Backup Bid. The Closing Buyer is a good faith purchaser under section 363(m) of the Bankruptcy Code and, as such, is entitled to the protections afforded thereby.

O. To the extent that any brokers, agents or finders may be entitled to any fees for bringing about the Closing Buyer Bid or the conveyance of the Assets to the Closing Buyer pursuant hereto, the Closing Buyer shall not be liable for any such fees.

P. If the Closing occurs, then, with respect to the Closing Buyer Bid, the Closing Buyer, as a purchaser in good faith of the Assets, shall be entitled to the protections of section 363(m) of the Bankruptcy Code if this Approval Order or any authorization contained herein is reversed or modified on appeal.

Q. Effective as of the Closing, the transfer of the Assets to Closing Buyer is or will (i) be legal, valid and effective transfers of property of the Estate to the Closing Buyer, as more particularly set forth in the Closing Buyer Bid; and (ii) vest the Closing Buyer with all right, title, and interest of the Trustee, the Debtor and the Estate in and to the Assets free and clear of Claims (as defined herein) under sections 363(f) and 105 of the Bankruptcy Code.

R. Adequate notice and opportunity to be heard was provided to parties to executory contracts and unexpired leases to be rejected or assumed and assigned pursuant to this Approval Order. Further, parties received adequate notice and an opportunity to object to the amount of any cure owed by the Estate on account of any executory contract or unexpired lease to be assumed and assigned to the Closing Buyer under the Closing Buyer Bid.

S. As further reflected in a separate order of this Court with respect to the Assumption Motion (the "Assumption Order"), the Trustee has demonstrated that it is an

exercise of his sound business judgment to assume and assign certain Contracts and Unexpired Leases, described in Schedule 1.1(c)(1) and Schedule 1.1(c)(2) to the Closing Buyer Bid, (collectively, the "Assumed Contracts"), in connection with the consummation of the Sale of Assets, and the assumption and assignment of the Assumed Contracts is in the best interest of the Debtor, its Estate and its creditors. The Trustee has paid all amounts, if any, due or owing under sections 365(b)(1)(A) and (B) and 365(f)(2)(A) of the Bankruptcy Code to (i) cure any defaults under the Assumed Contracts or (ii) pay all actual or pecuniary losses that have resulted from such defaults. Accordingly, the Trustee has satisfied the requirements of sections 365(b)(1)(A) and (B) and section 365(f)(2)(A) of the Bankruptcy Code (the "Cure Amounts"). The Assumed Contracts are unexpired leases or executory contracts within the meaning of the Bankruptcy Code. Each of Buyer and Backup Buyer has provided adequate assurance of future performance under the Assumed Contracts being assumed and assigned within the meaning of sections 365(b)(1)(C) and (f)(2)(B) of the Bankruptcy Code.

T. The assumption and assignment of the Assumed Contracts is integral to the Closing Buyer Bid and is in the best interests of the Debtor and its creditors, and the Estate and represents the exercise of the Trustee's sound business judgment. Those non-debtor parties to such Assumed Contracts who did not object to their assignment, or assumption and assignment, are deemed to have consented to the assumption of the Assumed Contracts, as applicable, and assignment to the Closing Buyer, and are forever barred from arguing otherwise.

U. As further reflected in a separate order of this Court with respect to the Rejection Motion (the "Rejection Order"), the Trustee has demonstrated that it is an exercise of his sound business judgment to reject certain executory contracts and unexpired leases listed on Schedule

2.5 to the Closing Buyer Bid (the "Rejected Contracts"), in connection with the consummation of the Sale of the Assets, and rejection of the Rejected Contracts is in the best interests of the Debtor and its creditors, and the Estate.

V. Unless such liabilities constitute Assumed Liabilities of the Closing Buyer pursuant to the Closing Buyer Bid or this Approval Order, the transfer of the Assets does not and will not subject the Closing Buyer to any liability for Claims (as defined herein) against the Trustee, the Debtor, or the Estate by reason of such transfer of the Assets under the laws of the United States, any state, commonwealth, territory or possession thereof or the District of Columbia applicable to such transactions.

W. The Trustee has good, valid, and marketable title to all of the Assets. The Assets are to be transferred to the Closing Buyer free and clear of any and all Claims. All of the Assets are, or will be on the date of Closing, owned by the Estate and will be transferred to the Closing Buyer upon Closing of the Closing Buyer Bid. The Trustee has articulated good and sound business reasons for waiving the stay otherwise imposed by Rules 6004(g), 6006(d), and 7062, Federal Rules of Bankruptcy Procedure.

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

General Provisions

1. The Sale Motion, as described and modified herein and by the Bid Procedures Order, is hereby granted in all respects.

2. All objections to the Sale Motion or the relief requested therein that have not been withdrawn, waived, or settled, including all reservations of rights included therein which are not otherwise provided for by this Approval Order, are overruled on the merits.

Approval of the Closing Buyer Bid

3. Each and every term of the Closing Buyer Bid is hereby approved.

4. The Sale of the Assets to the Closing Buyer pursuant to the Closing Buyer Bid is hereby authorized under section 363(b) of the Bankruptcy Code, and the Trustee's acceptance of and agreement to the Closing Buyer Bid on behalf of the Estate is hereby approved.

5. The Trustee is authorized and directed to execute and deliver, and empowered to fully perform under, consummate and implement, the Closing Buyer Bid, together with all additional instruments and documents that may be reasonably necessary or desirable to implement such agreements, and to take all further actions as may be reasonably requested by the Closing Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Closing Buyer, or reducing to possession, any or all of the Assets, or as may be necessary or appropriate to the performance of the obligations of the Trustee under the Closing Buyer Bid, including effectuating non-material amendments to the Closing Buyer Bid in furtherance thereof.

Transfer of the Assets

6. Pursuant to 11 U.S.C. §§ 105(a), 363(b), and 363(f)(3), the Assets shall be transferred to the Closing Buyer, subject to and in accordance with the Closing Buyer Bid, and except for the Assumed Liabilities, free and clear of all Claims (as defined below), except as otherwise set forth in the Closing Buyer Bid, with all such Claims released, terminated and discharged as to the Assets, and all such Claims entitled to be asserted only against the Estate in

accordance with Paragraph 25 of this Approval Order. All persons and entities (including, but not limited to, the Trustee, the Debtor, creditors, employees, former employees and shareholders, administrative agencies, governmental departments, secretaries of state, federal, state and local officials) and their respective successors or assigns and any trustees thereof, shall be and are hereby permanently and forever barred, restrained and enjoined from commencing or continuing in any manner any action or other proceeding of any kind against the Closing Buyer and its successors or assigns or otherwise with respect to any Claims of any kind and nature with respect to the Assets, except for Assumed Liabilities. If the proposed Sale fails to close with both the Buyer and Backup Buyer for any reason, then Claims shall continue against the Assets unaffected by this Approval Order. For purposes of this Approval Order, the term "Claims" shall mean any and all claims (as defined in section 101(5) of the Bankruptcy Code) against the Debtor, the Estate, or existing against the Assets as of the date of Closing, interests, obligations, security interests, liens (as defined in section 101(37) of the Bankruptcy Code, and including but not limited to, mechanics', materialmen's and other consensual or statutory liens), mortgages, pledges, encumbrances, mechanics' liens, financing statements, demands, guaranties, options, rights (including, but not limited to, rights of first refusal, rights of way and rights of recovery), contractual commitments, restrictions (including, but not limited to, any restriction on the use, transfer, receipt of income or other exercise of any attributes of ownership of the Assets and all debts arising in any way in connection with any acts of the Trustee or the Debtor), easements, covenants, defects, hypothecations, charges, indentures, loan agreements, instruments, leases, licenses, conditional sale or other title retention agreements, contracts, offsets, recoupment, rights of recovery, judgments, orders, and decrees of any court or governmental entity, interests,

successor, transferee, products liability, environmental, tax and other liabilities and claims, and/or any claims arising under the Workers Adjustment Restraining and Notification Act, 29 U.S.C. § 2101, *et seq.*, or any collective bargaining agreements or other applicable law, whether arising prior to or subsequent to the commencement of this Chapter 11 Case, whether arising in connection with the transactions authorized by this Approval Order, and whether imposed by agreement, understanding, law, equity or otherwise, whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, disputed or undisputed, or known or unknown, *provided, however*, the term "Claims" shall not include Assumed Liabilities or other obligations arising under the Closing Buyer Bid.

7. Except for Assumed Liabilities as set forth in the Closing Buyer Bid, the transfer of the Assets pursuant to the Approval Order shall not subject the Closing Buyer to any liability with respect to any obligations incurred in connection with, or in any way related to the Assets, prior to the date of Closing or by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, on any theory of law or equity, including, without limitation, any theory of equitable subordination or successor or transferee liability.

8. The transfer of the Assets to the Closing Buyer upon the Closing of the Closing Buyer Bid shall constitute a legal, valid and effective transfer of the Assets, and shall vest the Closing Buyer with all right, title, and interest of the Trustee, the Debtor and the Estate in and to the Assets free and clear of all Claims other than the Assumed Liabilities and except for

obligations imposed under Closing Buyer Bid and the terms of the Approval Order including the settlement with Geneva Nitrogen as further described in the following paragraph.

9. The Assets and the Closing Buyer's rights to them are specifically subject to and encumbered by the obligations of that certain Settlement Agreement and Limited Release ("Geneva Nitrogen Agreement") by and between the Trustee and Geneva Nitrogen, LLC, dated November 11, 2005, as modified at the hearing on November 21, 2005. A copy of the Geneva Nitrogen Agreement is attached to this Order as Exhibit C and by this reference incorporated as a part hereof. The Closing Buyer assumes and shall perform all of the obligations of the Trustee under the Geneva Nitrogen Agreement with the exception of the payment of money to Geneva Nitrogen required by the Geneva Nitrogen Agreement and shall have the benefit of the consideration to be received by the Trustee under the Geneva Nitrogen Agreement. Subject to the termination date of July 1, 2006, the Geneva Nitrogen Agreement shall be construed as a covenant running with the Assets and the Geneva Nitrogen Agreement may be recorded by Geneva Nitrogen at its discretion but shall obligate the Closing Buyer to the terms of the Geneva Nitrogen Agreement as the successor to the Trustee, as provided herein. If the Geneva Nitrogen Agreement is recorded by Geneva Nitrogen, then it shall file a release of the Geneva Nitrogen Agreement on or before July 1, 2006.

10. The transfer of the Assets to the Closing Buyer, and the making, execution, delivery or recordation of any deed, termination or modification of any lease or other instrument of transfer, or assignment executed in connection with any of the transactions contemplated in connection with the Closing Buyer Bid or to its schedules is not subject to taxation under any law imposing a stamp tax or similar tax in accordance with section 1146(c) of the Bankruptcy

Code. No bulk sales law or any similar law of any state or other jurisdiction shall apply in any way to the transfer of Assets under the Approval Order or the Closing Buyer Bid.

Assumption and Assignment to the Closing Buyer of Assumed Contracts

11. As reflected in the Assumption Order and pursuant to 11 U.S.C. §§ 105(a) and 365, and subject to and conditioned upon the Closing of the Sale, the Trustee's assumption and assignment to the Closing Buyer, and the Closing Buyer's assumption on the terms set forth in the Closing Buyer Bid and the Assumption Order, of the Assumed Contracts has been approved, and the requirements of 11 U.S.C. § 365(b)(1) with respect thereto are deemed satisfied; provided, however, that the Closing Buyer shall take subject to GATX's rights, if any, under 11 U.S.C. § 365(h), which remain unaffected by the Sale.

12. Pursuant to the Assumption Order, the Trustee is authorized and directed in accordance with 11 U.S.C. §§ 105(a) and 365 to (a) assume and assign to the Closing Buyer, effective upon the Closing of the Sale, the Assumed Contracts, as defined in the Closing Buyer Bid free and clear of all Claims, other than the Assumed Liabilities, and (b) execute and deliver to the Closing Buyer such documents or other instruments as may be necessary to assign and transfer the Assumed Contracts to the Closing Buyer.

13. The Assumed Contracts shall be transferred to, and remain in full force and effect for the benefit of, the Closing Buyer in accordance with their respective terms, notwithstanding any provision in any such Assumed Contracts (including those of the type described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts, or conditions such assignment or transfer and, pursuant to 11 U.S.C. § 365(k), the Trustee shall be relieved from any further

liability with respect to the Assumed Contracts after such assignment to and assumption by the Closing Buyer.

14. All undisputed defaults or other obligations of the Trustee under the Assumed Contracts arising or accruing prior to the date of this Approval Order (without giving effect to any acceleration clauses or any default provisions of the kind specified in section 365(b)(2) of the Bankruptcy Code) shall be cured by the Trustee on or before the date of Closing of the Sale, or as soon thereafter as practicable, and the Closing Buyer shall have no liability or obligation arising or accruing prior to the date of the Closing of the Sale.

15. Upon assignment to the Closing Buyer, each of the Assumed Contracts shall, be deemed to be valid and binding on the Closing Buyer and in full force and effect and enforceable in accordance with its terms, and following such assignment, the Trustee, the Debtor and the Estate shall be relieved, pursuant to section 365(k) of the Bankruptcy Code, from any further liability with respect to any breach of any of the Assumed Contracts after such assignment.

16. Each non-Debtor party to an Assumed Contract is hereby barred and enjoined from asserting against the Trustee, the Debtor or the Estate (a) any default existing as of the date of the Sale hearing if such default was not raised or asserted in a timely manner prior to the entry of the Assumption Order or (b) any objection to the assumption and assignment of such non-Debtor party's Assumed Contract or the Cure Amount, if any, of which the non-Debtor party was given notice prior to the Sale hearing. The assignment of each Assumed Contract to the Closing Buyer will not cause a default or otherwise allow the non-Debtor party thereto to terminate or adversely affect the rights of Closing Buyer thereunder. In no event shall the

Closing Buyer be liable for any Cure Amounts or pre-Closing liabilities arising from or related to the Assumed Contracts with the exception of the Assumed Liabilities.

Rejection of Rejected Contracts by the Trustee

17. As further reflected in the Rejection Order, the Rejected Contracts shall be deemed rejected by the Trustee as of the date of Closing of the Sale pursuant to section 365 of the Bankruptcy Code.

18. **ANY PERSON OR ENTITY THAT ASSERTS A CLAIM AGAINST THE ESTATE ARISING FROM THE REJECTION OF ANY OF THE REJECTED CONTRACTS SHALL BE REQUIRED TO FILE A PROOF OF CLAIM WITH THE BANKRUPTCY COURT ON OR BEFORE SIXTY (60) DAYS FOLLOWING THE BANKRUPTCY COURT'S ENTRY OF THIS APPROVAL ORDER, OR BE FOREVER BARRED FROM ASSERTING SUCH A CLAIM.**

Additional Provisions

19. The transaction contemplated by the Closing Buyer Bid is undertaken by the Closing Buyer in "good faith," as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale to the Closing Buyer, unless such authorization is stayed pending such appeal. The Closing Buyer is a good faith purchaser of the Assets. If the Closing Buyer closes the Closing Buyer Bid, then with respect to the transactions contemplated by the Closing Buyer Bid, including the assumption and assignment of the Assumed Contracts approved and authorized herein, the Closing Buyer shall be entitled to the

protections of section 363(m) of the Bankruptcy Code if this Approval Order or any authorization contained herein is reversed or modified on appeal.

20. The consideration provided by the Closing Buyer for the Assets pursuant to the Closing Buyer Bid shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession or the District of Columbia.

21. The consideration provided by the Closing Buyer for the Assets pursuant to the Closing Buyer Bid is fair and reasonable and was not controlled by an agreement among potential bidders, and accordingly, ~~may not be avoided under section 363(n) of the Bankruptcy Code.~~ ^{4.56}

22. If any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens*, or other documents or agreements evidencing any Claims in, against or upon the Assets prior to the date of Closing of the Sale, in proper form for filing and executed by the appropriate parties, and has not executed termination statements, instruments of satisfaction, releases of all Claims which the person or entity has with respect to the Assets, then (a) the Trustee is hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Assets and (b) the Closing Buyer is hereby authorized to file, register, or otherwise record a certified copy of this Approval Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Claims in, against, or upon the Assets of any kind or nature whatsoever.

23. All entities that are presently, or on the Closing Date may be, in possession of some or all of the Assets are hereby directed to surrender possession of the Assets to the Closing Buyer upon the Closing of the Sale.

24. The Closing Buyer is not a successor to the Trustee, the Debtor or the Estate by reason of any theory of law or equity. The Buyer and Backup Buyer shall have no liability or responsibility for any liability or other obligation of the Trustee, the Debtor or the Estate arising under or related to the Assets other than for the Assumed Liabilities and for payment of the consideration as specified in the Closing Buyer Bid. Without limiting the generality of the foregoing, and except as otherwise specifically provided for herein and in the Closing Buyer Bid, the Closing Buyer shall not be liable for any Claims, including any theory of successor or vicarious liability, of any kind or character whether known or unknown as of the date of Closing, now existing or hereafter arising, whether fixed or contingent, with respect to the Sale, the Trustee, the Debtor, or the Estate or any obligations of the Trustee, the Debtor, or the Estate arising prior to the date of Closing, including but not limited to, liabilities arising, accruing, or payable under, out of, in connection with, or in any way relating to the Assets, including, without limitation, the Utah Property.

25. Subject to and except as otherwise provided under the terms of the Closing Buyer Bid, this Approval Order: (a) is and shall be effective as a determination that, as of the Closing, all Claims (except Assumed Liabilities) existing as to the Assets prior to the Closing have been and hereby are unconditionally released, discharged and terminated as to the Assets, and that the conveyance described in this Approval Order has been effected; (b) is and shall be effective to cause all Claims (except Assumed Liabilities) to attach to and be perfected in the proceeds of the

Sale of the Assets, with the same validity, priority, force and effect as they now have against the Assets (including, without limitation, the rights and priorities said Claims currently enjoy pursuant to the terms of the Final Stipulation and Order Authorizing and Restricting Use of Cash Collateral and Granting Adequate Protection Pursuant to Sections 361, 363, 364, 506, and 552 of the Bankruptcy Code, dated March 7, 2002, as modified, amended, or amended and restated) without the need for any filing of any kind, including, without limitation, the filing of any financing statements or other evidence of perfection; and (c) is and shall be binding upon and govern the acts of all entities, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Assets. The Trustee may use any remaining proceeds of the Sale of the Assets to pay any reasonable costs of the Sale, subject to obtaining any prior order(s) of the Court that may be appropriate.

26. The Trustee or the Closing Buyer and any agent or representative of either of them, are each hereby authorized and empowered to serve upon all filing and recording officers a notice when filing or recording any instruments of transfer (including, without limitation, deeds, leases, and assignments, modifications and terminations of leases) in accordance with this Approval Order and the Closing Buyer Bid to evidence and implement this paragraph of the Approval Order. All filing and recording officers are hereby directed to accept, file and record

all instruments of transfer including, without limitation, deeds, leases, and assignments, modifications and terminations of leases (if any) to be filed and recorded pursuant to and in accordance with this Approval Order or the Closing Buyer Bid and the various documents related thereto, without the payment of any stamp, transfer, recording or similar taxes.

27. This Court retains exclusive jurisdiction to: (i) enforce and implement the terms and provisions of the Winning Bid, the Backup Bid, the Closing Buyer Bid, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith; (ii) compel delivery of the Assets to the Closing Buyer, if applicable; (iii) resolve any disputes arising under or related to the Winning Bid, the Backup Bid, the Closing Buyer Bid, and related agreements, except as otherwise provided therein; (iv) enjoin the assertion of any Claims against the Closing Buyer or the Assets, and (v) interpret, implement and enforce the provisions of this Approval Order.

28. As of the Closing, all agreements and all orders of this Court entered prior to the date hereof shall be deemed amended or modified solely to the extent required to permit the consummation of the transactions contemplated by this Approval Order and the Closing Buyer Bid.

29. Nothing contained in: (i) any plan of reorganization (or liquidation) confirmed in this chapter 11 case; (ii) the order of confirmation confirming any plan of reorganization (or liquidation); (iii) any order dismissing the chapter 11 case or converting it to a chapter 7 liquidation; or (iv) any order appointing an examiner or trustee in the case, shall conflict with or derogate from the provisions of the Closing Buyer Bid, or the terms of this Approval Order.

30. The terms and provisions of the Closing Buyer Bid, together with the terms and provisions of this Approval Order, shall be binding in all respects upon, and inure to the benefit of, the Trustee, the Debtor, the Estate, any of its affiliates, successors and assigns, its creditors and third parties, including but not limited to persons asserting a Claim against or interest in the Estate or any of the Assets to be sold to the Closing Buyer pursuant to the Closing Buyer Bid, notwithstanding any subsequent appointment of an examiner or any trustee for the Debtor under any chapter of the Bankruptcy Code, as to which examiner or trustee such terms and provisions likewise shall be binding in all respects.

31. The Closing Buyer Bid and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment or supplement is not material.

32. The failure specifically to include any particular provisions of the Closing Buyer Bid in this Approval Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Closing Buyer Bid be authorized and approved in its entirety.

33. Upon Closing, the Trustee, the Debtor and its Estate shall be deemed without further action or order of the Court to have released and discharged the Closing Buyer and its affiliates, and their respective officers, directors, representative, agents, attorneys and professionals, of and from any causes of action, legal or equitable, suits, debts, covenants, contracts, agreements, judgments, executions, claims, and demands whatsoever whether known or unknown, except for obligations arising hereunder or under the Closing Buyer Bid.

34. Upon Closing, the Closing Buyer shall be deemed without further action or order of the Court to have released and discharged the Trustee, the Debtor and its Estate, and its affiliates, and their respective officers, directors, representative, agents, attorneys and professionals, of and from any causes of action, legal or equitable, suits, debts, covenants, contracts, agreements, judgments, executions, claims, and demands whatsoever whether known or unknown, except for obligations arising hereunder or under the Closing Buyer Bid or Backup Bid.

35. In accordance with the provisions of ¶3(d) of the Bid Procedures Order, Backup Buyer shall be paid by wire transfer its Break-Up Fee in the amount of \$1,335,000 from the Estate immediately after entry of this Approval Order; provided that if the Backup Bid becomes the Closing Buyer Bid then the sum of \$1,085,000 shall be repaid by wire transfer to the Estate at Closing of the Backup Bid or upon Backup Buyer's uncured default under the Backup Bid. Fifty percent of the Expense Reimbursement shall be paid by wire transfer to the Backup Buyer on or before December 2, 2005. The Break-Up Fee and Expense Reimbursement shall be paid by the Trustee from funds on deposit with the Estate to which payments the Secured Lenders have expressly consented. Further, the Secured Lenders have a lien against the proceeds of the Bidder Earnest Money Deposits paid by Buyer and Backup Buyer, and Secured Lenders also have a lien on any presently existing or future claims or causes of action the Estate may have against Buyer and Backup Buyer pursuant to the Winning Bid and Backup Bid, respectively, with such liens of the Secured Lenders to be valid and effective without the filing of any kind, including without limitation, the filing of any financing statements or other evidence of perfection.

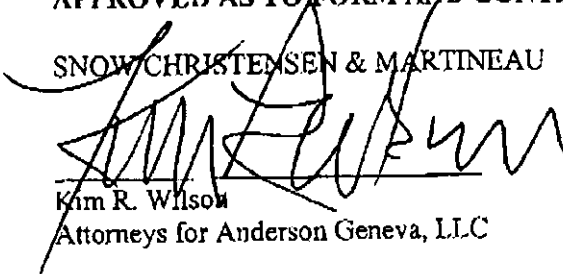
36. The Winning Bid and the Backup Bid shall be binding on the Buyer and Backup Buyer, respectively, and may not be withdrawn or modified in any way, except as otherwise provided herein. The Winning Bid and the Backup Bid remain open until January 16, 2006, such that the Trustee may close a sale to the Buyer or Backup Buyer, as applicable, upon the terms set forth in the Winning Bid or Backup Bid, respectively. If the Buyer fails to close by December 27, 2005, then the Buyer shall be deemed to have consented to the closing of the Sale to the Backup Buyer and shall be deemed to have forfeited its Bidder Earnest Money Deposit to the Estate; provided however, the Trustee (a) shall be required to extend the December 27, 2005 closing date if the Buyer is able to close but is prevented from doing so because of a court ordered stay pending appeal of this Approval Order; or (b) may extend, in his sole discretion, the December 27, 2005 closing date if the Trustee believes it is in the best interest of the Estate to do so.

37. The Trustee shall be authorized without further order of this Court to close and fully perform the Backup Bid after December 27, 2005. On or before January 16, 2005, the Trustee shall provide written notice (the "**Backup Bidder Closing Notice**") to the Backup Buyer of his intention to close the Backup Bid. The Backup Buyer shall have forty-five days from the date of the Backup Bidder Closing Notice to close the Backup Bid (the "**Backup Bid Closing Period**") provided that the Backup Buyer delivers to the Trustee a binding written commitment to keep the Backup Buyer's Bidders Earnest Money Deposit posted and in effect through the end of the Backup Bid Closing Period. The Trustee and Backup Buyer may extend mutually the Backup Bid Closing Period provided that the Backup Buyer's Bidders Earnest Money Deposit remains posted and in effect through the end of the Backup Bid Closing Period as extended.

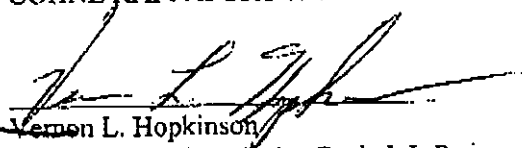
38. Notwithstanding Bankruptcy Rules 6004(g), 6006(d) or 7062, this Approval Order shall be effective and enforceable immediately upon entry and shall be self-executing.

APPROVED AS TO FORM AND CONTENT:


SNOW CHRISTENSEN & MARTINEAU


Kim R. Wilson
Attorneys for Anderson Geneva, LLC

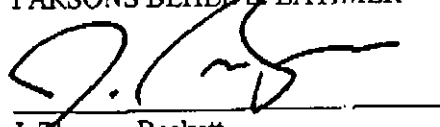
COHNE RAPPAPORT & SEGAL


Vernon L. Hopkinson
Attorneys for Silver Point Capital, L.P., in
its capacity as Agent for the Secured
Lenders

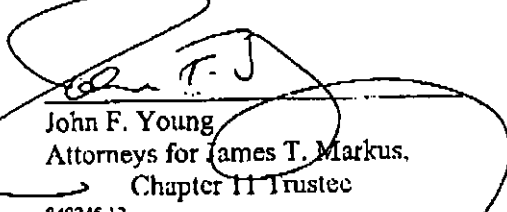
GREENBERG TRAUERIG, LLP


Nancy A. Peterman
Attorneys for Utah Lake Development, LLC

PARSONS BEHLE & LATIMER


J. Thomas Beckett
Attorneys for the Committee

Block Markus & Williams LLC


John F. Young
Attorneys for James T. Markus,
Chapter 11 Trustee

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(End of Document)

Exhibit A

IRREVOCABLE OFFER TO PURCHASE GENEVA ASSETS

This IRREVOCABLE OFFER TO PURCHASE GENEVA ASSETS (the Offer) is made and submitted as of this 17th day of November, 2005, by ANDERSON GENEVA, LLC, a Utah limited liability company ("Anderson Geneva"), with respect to (i) that certain Asset Purchase Agreement made as of August 1, 2005 including all exhibits and schedules thereto (the "Anderson Agreement") by and between Anderson Geneva and GENEVA STEEL LLC (therein and herein, "Seller"), by and through JAMES T. MARKUS, not personally but solely as Chapter 11 Trustee, (ii) that certain Asset Purchase Agreement made as of June 24, 2005 including all exhibits and schedules thereto (the "Utah Lake Agreement") by and between Utah Lake Development LLC ("ULD") and Seller, and (iii) that certain Order Approving Bid Procedures, Auction Procedures, Breakup Fee and Overbid Protections dated August 1, 2005 entered by the Court (the "Order"), under which Order the Anderson Agreement is the Bound Backup Bid. In accordance with the Anderson Agreement and the Order, and as the maker of the Bound Backup Bid, Anderson hereby offers to purchase the Assets (as defined in the Utah Lake Agreement) as provided hereinbelow.

1. OFFER PURSUANT TO UTAH LAKE AGREEMENT; CERTAIN DEFINITIONS.

Anderson's offer to purchase hereunder shall be under, pursuant to and governed in all respects by the Utah Lake Agreement, which shall be and hereby is incorporated herein and made a part of this Offer by reference as fully as though set forth herein in its entirety, except that Buyer thereunder shall and shall be deemed to be Anderson Geneva for all purposes, and except as modified by the Order and by this Offer. In the event of any conflict between the Order, this Offer, and the Utah Lake Agreement, the Order shall control over this Offer, and this Offer shall control over the Utah Lake Agreement. Capitalized terms used and not defined in this Offer shall have the meanings ascribed to them in the Utah Lake Agreement.

2. INCREASE OF PURCHASE PRICE. Anderson Geneva has agreed to pay the sum of Thirty-Two Million Six Hundred Thousand and 00/100 Dollars (\$32,600,000.00) pursuant to Section 1.3 of the Anderson Agreement, and such sum and the terms and conditions of the Anderson Agreement are the Agreed Bound Bid under the Order. The "Purchase Price" as defined in Section 1.3 of the Utah Lake Agreement is hereby increased from the amount set forth therein to the sum of Forty-Six Million Three Hundred Thousand Dollars (\$46,300,000.00), and shall be further increased to such greater amount, if any, as Anderson Geneva shall from time to time bid at the Auction.

3. CERTAIN ADDITIONAL TERMS.

- (a) Section 4.1(a) is hereby amended to add in the second line immediately following the phrase "at the offices of", the additional phrase "Integrated Title Services as agent for".
- (b) All provisions concerning the government securities pledged to Seller under the pledge agreement referred to in Section 1.3(a) of the Anderson Agreement

(including, without limitation, the provisions of Sections 1.3(a), 2.8, 9.2 and 10.1 of the Anderson Agreement which shall refer to such pledge, such government securities, or the Earnest Money of Anderson under the Anderson Agreement) shall be and hereby are incorporated in and made a part of the Utah Lake Agreement as modified by this Offer.

- (c) There shall be and hereby is added to Schedule 1.1(c)(1) of the Utah Lake Agreement the following contract, at the end of the list of contracts set forth therein:

Geneva Steel LLC Environmental Agreement Covering Environmental Work and Professional Consulting Services Performed on Behalf of Geneva Steel, LLC dated May 28, 2004 by and between URS Corporation and Geneva Steel, LLC.

- (d) There shall be and hereby is added to Article 11 of the Utah Lake Agreement a new Section 11.17 following the existing Section 11.16, which shall read as follows:

11.17. Substantial Contribution Claim. Both parties retain all their rights, claims and defenses in regard to any claim for "substantial contribution" under Section 503 of the Bankruptcy Code as Buyer shall assert in the Bankruptcy Proceeding.

4. MISCELLANEOUS.

(a) On and after the acceptance by Seller of this Offer, each reference in the Utah Lake Agreement to Athis Agreement, Ahereunder, Ahereof, or words of similar import shall mean the Utah Lake Agreement as amended by the Order and this Offer, and the Agreement as so amended is and shall continue to be in full force and effect and is in all respects confirmed and ratified.

(b) This Offer and acceptance hereof may be manually executed in counterparts, each of which when executed and delivered shall constitute an original, but all of which taken together shall constitute but one and the same instrument.

(c) Except as amended by the Order and this Offer, the Utah Lake Agreement remains in full force and effect according to its terms.

IN WITNESS WHEREOF, Buyer has caused this Offer to be duly executed as of the day and year first written at the head of this Offer.

BUYER:

ANDERSON GENEVA, LLC,
a Utah limited liability company

By 

Gerald D. Anderson
Managing Member

The foregoing Offer is hereby accepted as the offer of the successful bidder as of the conclusion of the Auction, including any supplements attached hereto:

SELLER:

JAMES T. MARKUS, Chapter 11 Trustee,
GENEVA STEEL LLC, Seller

GENEVA STEEL AUCTION BID FORM

BID NO. 3

AMENDMENT TO IRREVOCABLE OFFER

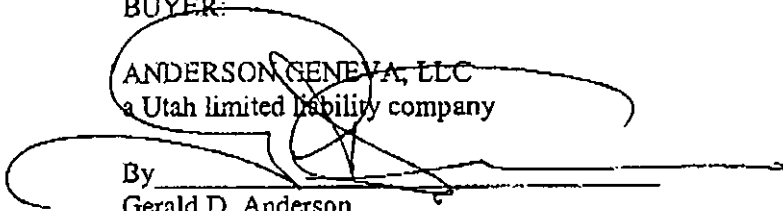
The IRREVOCABLE OFFER dated November 17, 2005 (the "Irrevocable Offer") by Anderson Geneva, a Utah limited liability company (the "Buyer") for the benefit of GENEVA STEEL LLC (the "Seller"), by and through JAMES T. MARKUS (the "Trustee"), not personally but solely as Chapter 11 Trustee:

1. The Purchase Price set forth in paragraph 2 of the Irrevocable Offer is hereto restated to be \$ 46,800,000
2. All other terms and conditions of the Irrevocable Offer remain the same.

Dated this 17th day of November, 2005.

BUYER:

ANDERSON GENEVA, LLC
a Utah limited liability company

By 
Gerald D. Anderson
Its: Managing Member

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "*Agreement*") is made as of June 24, 2005 (the "*Effective Date*"), by and between GENEVA STEEL LLC (the "*Seller*"), by and through JAMES T. MARKUS (the "*Trustee*"); not personally but solely as Chapter 11 Trustee, and Utah Lake Development LLC, a Delaware limited liability company (the "*Buyer*").

RECITALS:

- A. Seller is the Debtor in a bankruptcy proceeding pending in the United States Bankruptcy Court for the District of Utah (the "*Bankruptcy Court*") (*In re Geneva Steel LLC*, Case No. 02-21455 GBC) (the "*Bankruptcy Proceeding*").
- B. Seller owns a former steel production facility located in Vincyard, Utah, and Buyer desires to purchase, and Seller desires to sell, the real property owned by Seller, Seller's rights under various contracts, and certain other assets.

AGREEMENT:

In consideration of the premises, and other good and valuable consideration, the parties intending to be legally bound, agree as follows:

Article 1 PURCHASE AND SALE

1.1 *Assets To Be Sold.* If Buyer is the highest bidder pursuant to the bidding procedures in Article 10, on the Closing Date, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer has the right (subject to higher and better bids pursuant to the bidding and auction procedures set forth in Article 10) to and shall purchase, accept, acquire and take assignment and delivery of the following assets (collectively, the "*Assets*"):

(a) *Real Property.* That certain parcel of real property located in Vincyard, Utah County, Utah, consisting of approximately one thousand seven hundred (1,700) acres, including without limitation land (the "*Land*"), easements, appurtenances, leasehold interests, rights-of-way, and other real property interests or rights on, in, under or pertaining thereto, and more particularly described on Schedule 1.1(a) (collectively, the "*Real Property*"). The number of acres is an estimate only and the purchase price herein shall not be adjusted for any difference in the actual number of acres that may be determined by an appropriate survey and the number of acres estimated herein. Furthermore, Buyer understands and agrees that it is not relying on the number of estimated acres herein and should the number of acres that may be determined by an appropriate survey and the number of acres estimated herein be different,

Buyer shall nonetheless be required to close if all other conditions to closing as required in this Agreement are met.

(b) *Trade Names and Trademarks.* All trade names and trademarks (the "*Trade Names and Trademarks*"), more particularly described in Schedule 1.1(b).

(c) *Contracts and Leases.*

(1) *Contracts.*

Those contracts pertaining to any of the Real Property more particularly described in Schedule 1.1(c)(1) (collectively, the "*Contracts*"). Contracts to be transferred and assigned under this Agreement shall not include any contracts that Buyer has listed for Seller to reject or are retained by Seller pursuant to this Agreement. The rights in Contracts to be assigned to Buyer shall not include any monetary payments due Seller from any third party which payments are expressly reserved for the benefit of the Seller and the Seller's estate, including but not limited to the payments due from CST Environmental, Inc. (CST) in the amounts of \$1,515,000 due on or before July 1, 2005 and the amount of \$2,026,842 due on or before August 1, 2005, \$507,620 due on or before September 1, 2005, \$504,875 due on or before October 1, 2005 and \$477,454 due on or before November 1, 2005, except that Buyer shall be entitled to monetary payments under the Contracts to the extent such monetary payments arise from or are based on penalties, damages or indemnification rights which arise from the contracting party's failure to timely act subsequent to Closing under the Contract or actions subsequent to Closing by such party which cause damages to the Property or persons or property located thereon. Buyer understands and acknowledges receipt of copies of all agreements between Seller and CST Environmental, Inc. Buyer acknowledges that CST is currently engaged in demolition and salvage operations on the Land. Buyer acknowledges and agrees that Seller has not sold to Buyer pursuant to this Agreement any accounts, receivables or right to receive payment from CST under the CST Agreement, except as stated above.

(2) *Leases.*

Those Leases pertaining to any of the Real Property more particularly described in Schedule 1.1(c)(2) (collectively, the "*Leases*"). The rental payments and other charges from leases shall be prorated as of the Closing pursuant to Article 4. Leases to be transferred and assigned under this Agreement shall not include any leases that Buyer has listed for Seller to reject pursuant to this Agreement. Any leases that are non-residential leases wherein Seller is the lessor that Buyer has listed for Seller to reject pursuant to this Agreement may be rejected by Seller;

however, any lessees pursuant to those rejected leases may have certain rights pursuant to 11 U.S.C. § 365(h) and Seller specifically makes no representations or warranties pertaining to those leases and the intent of the lessees pursuant to those leases;

(d) *Permits.* All existing permits, licenses, approvals, and authorizations issued by any governmental authority in connection with or affecting such real property (collectively, the "Permits"), including without limitation those listed on Schedule 1.1(d), if and to the extent the same or any interest therein may be transferred to Buyer. Seller specifically makes no representations or warranties on the transferability or assignability of permits, licenses, approvals, and authorizations but shall cooperate with Buyer in attempting to transfer the Permits to Buyer;

(e) *ERCs.* Certain banked emission reduction credits for exclusive use on the Land owned by Seller in Utah County, Utah, with the Utah Division of Air Quality (the "DAQ") under Utah Administrative Code ("UAC") R307-403-8, as more particularly identified in that Schedule 1.1(e) (collectively, the "ERCs").

(f) *Records.* All files relating to the Contracts and Leases, drawings, plans, specifications, shop drawings, environmental data files, and information and documentation relating to the Assets, including but not limited to the due diligence materials that have previously been provided to Buyer by Seller (collectively, the "Records"), however, excluding the Seller's personnel, business, financial, accounting and operational records, and similar records which Seller requires to administer the Bankruptcy Proceeding or any files or records relating to the Excluded Property (defined herein) and any records which may be reasonably subject to the attorney/client or work product privileges. Buyer acknowledges that Seller has fiduciary duties under the Bankruptcy Code relating to the records of the Seller. Therefore, Buyer agrees to retain all Records for a reasonable period of time after closing for inspection and review by Seller or Seller's agent at any reasonable business hours upon giving reasonable advance notice. Before destruction of any records transferred to Buyer hereunder, Buyer will notify Seller of the intent to destroy the records. Seller shall have five business days to review those documents to be destroyed and if Seller fails to so notify Buyer, Buyer may destroy any of the records subject to the notice. Seller may inspect and review any of those documents to be destroyed and may make copies or extracts thereof as Seller's sole cost and expense. Subsequent to Closing, Seller shall cooperate with Buyer in jointly notifying the companies which prepared the Records that Buyer is the owner of the Records and is entitled to all of Seller's rights to the Records and the work product and services which resulted in the Records.

The Assets shall be sold and purchased "AS IS, WHERE IS", free and clear of any mortgage, lien, pledge, option, security interest, claim, charge, action, or other encumbrance or interest of any kind whatsoever, except for the Permitted

Encumbrances (as defined herein), as a result of entry of the Approval Order (as hereinafter defined).

1.2 Excluded Property. The assets and property interests to be retained by Seller, and which are excluded from the sale to Buyer under this Agreement, include all assets and property interests of the Seller not listed in Schedules 1.1(a) through 1.1(f) (the "Excluded Property"). Excluded Property includes but is not limited to those assets and property interests listed in Schedule 1.2.

1.3 Purchase Price. Except as may be adjusted by virtue of prorations and the bidding process under Article 10, Buyer shall pay an aggregate purchase price of Forty Four Million Five Hundred Thousand and 00/100 Dollars (\$44,500,000) for the Assets (the "Purchase Price"). The Purchase Price shall be paid as follows:

(a) Earnest Money. Within five (5) business days after entry of the Bid Procedures Order, Buyer shall deliver an earnest money deposit to the Escrow Agent (together with all interest earned thereon, the "Earnest Money") in the amount of Five Hundred Thousand Dollars to be increased to a total of Five Million Dollars (\$5,000,000.00) within five (5) business days of the expiration of the Inspection Period. The Earnest Money shall be held by the Escrow Agent subject to this Agreement, and shall be invested at interest in U.S. Government Securities with all interest and other amounts earned on the Earnest Money being deemed additional Earnest Money. All Earnest Money shall be applied toward payment of the Purchase Price or shall be returned to Buyer if Buyer is not the successful purchaser of the Assets in accordance with Section 10.3. At Buyer's option, the Earnest Money may be provided in cash or a letter of credit. As used in this Agreement, a "business day" is any day on which banks are open for business in Utah.

(b) Allocation. The Purchase Price shall be allocated among the Assets in a manner to be designated by Buyer prior to Closing; provided however, the allocation shall not cause Seller to incur or be liable for any taxes which cannot be offset by Seller's currently existing and valid net operating losses. Buyer and Seller each shall file their federal and state income tax returns (and Form 8594, if applicable) on the basis of such allocation. Neither Buyer nor Seller shall take a tax return position inconsistent with such allocation unless such position arises from or through an audit or other inquiry or examination by the Internal Revenue Service or other government authority.

(c) Balance of Purchase Price. Buyer shall pay the balance of the Purchase Price at Closing in immediately available funds. Immediately available funds shall mean a wire transfer payable to the account Escrow Agent for the benefit of Seller.

(d) Seller's Expense. All items designated in this Agreement to be at Seller's expense shall be accorded administrative expense status in the Bankruptcy Proceeding.

1.4 Liabilities To Be Assumed By Buyer. As of the Closing Date, Buyer shall assume and be obligated to discharge those liabilities and obligations arising out of or resulting from: (i) the transfer, assumption and assignment of the Permits, Contracts and Leases; (ii) the operation or ownership subsequent to the Closing of the Assets, including but not limited to liabilities on Schedules 1.4 and 2.6; and (iii) the Environmental Liabilities as defined herein and including but not limited to the those liabilities listed in Schedule 1.4 (the "Assumed Liabilities"). However, by virtue of this provision Buyer does not admit any liability for any debts, contracts, agreements, commitments, or obligations. Furthermore, this provision is not intended to benefit any third party.

1.5 Liabilities To Be Retained By Seller. Seller shall retain and remain liable for and obligated for all of the debts, contracts, agreements, commitments, obligations and other liabilities of Seller other than the Assumed Liabilities, including without limitation those more particularly identified on Schedule 1.5. However, by virtue of this provision Seller does not admit any liability for any debts, contracts, agreements, commitments, or obligations. Furthermore, this provision is not intended to benefit any third party.

Article 2

REVIEW AND INSPECTION OF PROPERTY; SURVEYS; TITLE

2.1 Property Documents. Seller has provided to Buyer and agrees to reasonably cooperate further in providing copies of various contracts, leases, Permits, documents, instruments, and writings related to the Assets (collectively, the "Property Documents") in its possession or control, including, without limitation, leases affecting the Land, statements for the Real Property showing taxes, utility bills, insurance bills, and other expenses relating to the Real Property, agreements between Seller and U.S. Steel Corporation dated June 26, 1987, as amended and restated August 31, 1987 and as amended May 4, 2004 (hereafter the "USS Agreement"), environmental reports, utilities serving the Real Property, soils reports, engineering reports, well reports, maps or surveys, records relating to Hazardous Materials (as defined in Schedule 1.4) in, on, under or affecting the Land, maintenance and other records relating to the Real Property, information and records concerning the current and past ownership of the ERCs, the nature and extent of the emission reductions underlying the ERCs, and information in Seller's possession regarding the validity and transferability of the ERCs under applicable laws and regulations; provided, however, that Seller shall incur no cost or expense in connection with providing the Property Documents, other than any cost or expense to Seller relating to reasonable personnel time to collect and assemble the Property Documents and the cost and expense of copying the Property Documents for which Buyer is not liable. Buyer acknowledges that all Property Documents obtained from Seller or its employees, agents and representatives are provided as an accommodation to Buyer and without representation or warranty as to their completeness or accuracy, and that Buyer shall rely on its own due diligence in making the decision to accept or object to the condition of the Real Property, as permitted under Sections 2.2, 2.3, and 2.6(b) hereof and under other applicable provisions hereof. Buyer

hereby waives and releases Seller and Trustee from any claim, cause of action, demand, or liability for any misstatement, inaccuracy, or misrepresentation in the Property Documents, but reserves its rights to terminate this Agreement as provided for herein. Buyer's sole remedy as against Seller and Trustee for any inaccuracy or misstatement in any of the Property Documents shall be its right to terminate this Agreement as provided herein.

2.2 Rights of Entry. In addition to the rights of Buyer and Seller under any site access agreement now in effect between Buyer and Seller, beginning on the date on which the Bankruptcy Court enters the Bid Procedures Order and continuing for ninety (90) days thereafter (the "Inspection Period"), Buyer and its employees, agents, and independent contractors (the "Buyer's Representatives") shall have the right to enter on the Land, upon reasonable prior notice to and with the consent of Seller to perform, at Buyer's expense, structural, soil, hydrological, ecological, archeological, environmental site assessment (including a Phase I environmental site assessment, and, with the prior written consent of Seller, which consent shall not be unreasonably withheld or delayed, any Phase II environmental site assessment), engineering and geotechnical soils testing, environmental studies and reports, and surveys, inspections relating to the condition of the Real Property, the availability and adequacy of utilities to serve the Real Property, any other matters related to the zoning, subdivision, use, development, operation, and occupancy of the Real Property, and any other studies, inspections, and reports as Buyer deems appropriate in its sole and absolute discretion. Seller's consent shall be subject to reasonable restrictions imposed by Seller, including but not limited to, Seller's right to accompany Buyer or Buyer's Representatives while on the Land and Seller's right to limit any activities or actions proposed by Buyer. Buyer shall indemnify and hold Seller harmless from any lien, loss, claim, liability, damage or expense, including reasonable attorneys' fees and costs, that Seller may suffer or incur, arising out of or in connection with Buyer's entry upon the Land and inspection of the Real Property, including, without limitation, any actual loss, damage, or liability that Seller may suffer or incur by reason of any injury to any person or property caused by Buyer, its employees, agents, or independent contractors. Upon the completion by Buyer of any and all such testing, investigations or inspections of the Real Property, Buyer shall repair any material damage to the Real Property caused by Buyer's entry pursuant to this Section 2.2. Notwithstanding anything to the contrary provided in this Section 2.2, Buyer shall not be liable to Seller with respect to any environmental or physical condition that is merely discovered, as opposed to caused, by Buyer. Buyer's obligations hereunder shall survive for one (1) year after termination of this Agreement or Closing, as the case may be. Buyer shall provide reasonable notice to Seller before making any inspection. During any inspection, Buyer should coordinate its activities with existing operations on the Property with Mike Curtis or such other person designed by Trustee. Furthermore, Buyer understands that certain third parties are conducting salvage and dismantling operations on the Land and Buyer agrees that none of its activities will interfere with Seller's or any of such third parties' operations. Buyer shall fully comply with all of Seller's safety, and environmental containment policies and procedures while conducting its inspections. If Buyer terminates this Agreement, Buyer shall provide to Seller within three (3) business days, copies of any reports, inspections, studies, lab-reports, data, and all other reasonably requested

information relating to Buyer's inspections and studies relating to the Real Property. Prior to Closing, Buyer shall keep and maintain all information obtained as a result of its inspections and testing strictly confidential and shall not disclose any such information to any third party other than Buyer's counsel, advisors, affiliates, insurance companies and other parties assisting Buyer with the transaction contemplated by this Agreement either verbally or in writing, except as is approved by the Trustee or may be required by any governmental agency having jurisdiction over the matter, by appropriate order of the Bankruptcy Court or a proper subpoena issued in the Bankruptcy Proceeding. The parties agree that Seller may enforce any of the provisions of this paragraph upon motion to the Bankruptcy Court upon reasonable notice to Buyer.

2.3 Property Unsuitable/Right to Terminate.

(a) *Right to Terminate.* If, at any time prior to the expiration of the Inspection Period, Buyer determines, in its sole and absolute discretion, that the Assets, or any aspect thereof, are unsuitable or undesirable for the Buyer's intended use, or for any other reason in Buyer's sole discretion, Buyer shall have the right to terminate this Agreement by giving written notice thereof to Seller, and this Agreement shall terminate and the Earnest Money shall immediately be returned to Buyer. Seller has made no representation or warranty to Buyer with respect to Buyer's intended use of the Assets and nothing in this Section 2.3 shall be interpreted or construed as any representation by Seller relating to the Buyer's intended use or for that matter any use of the Assets.

(b) *Conditional Termination.* Buyer shall also have the right, in its sole and absolute discretion, to disapprove or object to any aspect of the Assets for any reason on or before the expiration of the Inspection Period, but may request Seller to cure any defect. To timely disapprove of any such aspects of the condition of the Assets, Buyer shall deliver in writing, by hand delivery or facsimile transmission, to Seller at the address provided in Section 11.12 a written notice detailing the defect noted by the Buyer. Seller shall have ten (10) days to use its diligent best efforts to remedy, to Buyer's satisfaction, any disapproved item or aspect of the Assets. If Seller does not remedy any disapproved item or aspect, then Buyer may waive its objection to such disapproved item or aspect or may terminate this Agreement by giving Seller notice of termination within five (5) days after the expiration of the ten (10) day cure period.

(c) *Waiver of Right to Terminate.* If Buyer fails to disapprove or object to any aspect of the Assets in writing on or before the expiration of the Inspection Period as provided in Section 2.3(a) or (b), then the condition of the Assets shall be deemed approved, and Buyer shall be irrevocably deemed to have accepted the condition of the Assets, and this Agreement shall remain in full force and effect. If Buyer fails to disapprove or object to any aspect of the Assets in writing as provided herein or before the expiration of the Inspection Period or if Buyer waives its rights as to the objection to any aspect of Assets,

then the Earnest Money provided for in Section 1.3(a) shall be deemed non-refundable and shall be subject to the procedures provided for in Article 10 herein.

2.4 Survey. On or before July 29, 2005, Seller shall at its expense have the Real Property surveyed by Sunrise Engineering, which survey (the "Survey") shall contain and be in accordance with the survey standards and form of certificate set forth on Schedule 2.4. The Survey shall include the legal description of the Land, and such description shall be used in the Deed at Closing.

2.5 Rejections of Certain Contracts and Leases: Removal of Certain Improvements. Before Closing, Seller shall obtain an order of the Bankruptcy Court authorizing the rejection of certain executory contracts and unexpired leases more particularly identified on Schedule 2.5 and which rejection shall be deemed effective upon the Closing unless otherwise deemed to be rejected or terminated before Closing; however, Buyer acknowledges that the lessees pursuant to any such rejected leases may have certain rights pursuant to 11 U.S.C. § 365(h) and Seller specifically makes no representations or warranties pertaining to those leases and the intent of the lessees pursuant to those leases.

2.6 Title.

(a) Inspection Period. Buyer shall have until the expiration of the Inspection Period to inspect, review, and approve or disapprove: (a) a current preliminary title report or commitment provided by Seller and covering the Land (the "Title Report"), issued by First American Title Insurance Company accompanied by copies of all exception and other documents referred to in the Title Report; (b) copies of the most recent property tax bills for the Land provided by Seller; and (c) a copy of Seller's title insurance policy covering the Land, if available, which Title Report, policy and survey (if available) shall be provided by Seller on or before July 10, 2005;

(b) Title and Survey Objections. Buyer shall have until the date which is sixty (60) days from the date on which the Bankruptcy Court enters the Bid Procedures Order ("Title Date") to inspect, review, and approve or disapprove the Title Report and Survey. On or before the Title Date, Buyer shall notify Seller in writing (the "Title Notice") of the exceptions to title shown on the Title Report, if any, and of any Survey matters to which Buyer objects. If Buyer fails to timely notify Seller in writing of its objections to any such title exceptions or Survey matters on or before Title Date, Buyer shall be deemed to have approved the title to the Real Property and the Survey, and Buyer shall be irrevocably deemed to have accepted the condition of Title and Survey, and this Agreement shall remain in full force and effect except as provided in Sections 2.8 and 10.3(d). If Buyer timely disapproves any aspects of the Title Report or the Survey in writing, Seller shall have ten (10) days to use its diligent best efforts to remedy, to the Buyer's satisfaction, any disapproved item or aspect of the Title Report or the Survey. To remedy any title defect, Seller may, at its sole option

and expense, obtain title insurance coverage by appropriate endorsement insuring over or around the defect. If Seller is unable to remedy the defect noted by Buyer, Buyer shall have the right either to waive its objection to such disapproved matters or to terminate this Agreement.

(c) *Permitted Encumbrances.* The Assets shall be conveyed and transferred subject only to those matters to which Buyer does not timely object in the appropriate manner provided herein (collectively, the "*Permitted Encumbrances*") including those Permitted Encumbrances described in Schedule 2.6.

2.7 *Modifications to Schedules.* On or before July 15, 2005, or such later date as is mutually agreed, each party shall provide written notice to the other party of any modifications or amendments (the "*Requested Modifications*") it wishes to make to the Schedules. Within three (3) business days after its receipt of any Requested Modifications, each party shall provide to the other party, in writing, any objection it may have to the Requested Modifications. If a party objects to any of the Requested Modifications, then the other party shall have the right to either: (a) withdraw the Requested Modification(s) in question or (b) terminate this Agreement.

2.8 *Effect of Termination.* If this Agreement is terminated in accordance with its terms, then neither party shall have any further rights or obligations hereunder (except for any indemnity obligations of either party pursuant to the other provisions of this Agreement, and other than those obligations that expressly survive termination), each party shall bear its own costs incurred hereunder, any Earnest Money shall be paid to Buyer, Buyer shall if requested by Seller execute and deliver to Seller a quitclaim deed to the Land, and Buyer shall return to Seller all copies of all Property Documents, including but not limited to all electronic or computer files. Further, Buyer agrees to hold in strict confidence and to not disclose the structural, soil, hydrological, ecological, archeological, environmental site assessment, engineering and geotechnical soils testing, environmental studies and reports, and surveys, inspections relating to the condition of the Real Property, and any third-party reports, inspections, studies, lab-reports or data obtained by Buyer and relating to the Real Property.

Article 3
CONDITIONS PRECEDENT TO CLOSING

3.1 *Buyer's Conditions Precedent.* The obligation of Buyer to consummate the purchase of the Assets and to consummate the other transactions contemplated hereby at the Closing as contemplated by this Agreement shall be subject to the satisfaction of or waiver in writing by Buyer, in its sole discretion, on or prior to the Closing Date (except as expressly noted otherwise below) of each of the following conditions precedent (each a "*Condition*," and collectively the "*Conditions*");

- (a) The Escrow Agent commits in writing to issue the Title Policy;

(b) Seller obtains an order of the Bankruptcy Court in the Bankruptcy Proceeding in a form acceptable to Buyer approving this Agreement and sale of the Assets pursuant to Section 363 of the Bankruptcy Code, free and clear of all liens, claims, interests and encumbrances, other than the Permitted Encumbrances, including a determination under Section 363(m) of the Bankruptcy Code that Buyer purchased the Assets in good faith, and a determination under Section 363(n) that the sale price was not controlled by an agreement among potential bidders, and approving the assumption and assignment of the Contracts listed in Schedule 1.1(c) pursuant to Section 365 of the Bankruptcy Code, determining what constitutes a cure of defaults thereunder, and approving rejection of the contracts and leases set forth on Schedule 2.5 in a form mutually approved by the parties (the "Approval Order"), which Approval Order shall not have been reversed, stayed, modified, or amended in any respect and as to which the time to seek review shall have expired and no appeal or petition for review or rehearing shall be pending;

(c) Seller delivers all items required to be delivered by Seller under Section 4.2 hereof;

(d) All of the representations and warranties of Seller contained in this Agreement are true and correct in all material respects as of the Closing Date;

(e) Seller performs and observes, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the Closing Date;

(f) Between the Effective Date and the Closing Date, no material adverse change occurs in the condition of any component of the Assets; provided however, Buyer agrees that the demolition and salvage operations of CST shall in no manner constitute a material adverse change and that the removal of machinery and equipment under the Qingdao Agreement shall not constitute a materially adverse change.

If any of the foregoing Conditions are not satisfied before the Closing Date, then Buyer may terminate this Agreement by written notice to Seller before the Closing and the Earnest Money shall immediately be returned to Buyer. Alternatively, Buyer may waive in writing any or all of the Conditions, in its sole discretion.

3.2 Seller's Conditions Precedent. The obligation of Seller to consummate the sale of the Assets and to consummate the other transactions contemplated hereby at the Closing as contemplated by this Agreement shall be subject to the satisfaction of or waiver in writing by Seller, in its sole discretion, on or prior to the Closing Date (except as expressly noted otherwise below) of each of the following conditions precedent:

(a) Buyer delivers all items required to be delivered by Buyer under Section 4.3 hereof, including the Purchase Price; and shall have made the Environmental Deposit under Section 4.5;

(b) Seller shall have obtained the Approval Order;

(c) All of the representations and warranties of Buyer contained in this Agreement are true and correct in all material respects as of the Closing Date; and

(d) Buyer performs and observes, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Buyer as of the Closing Date.

If any of the foregoing conditions are not satisfied before the Closing Date, then Seller may terminate this Agreement by written notice to Buyer before the closing. If Seller fails to fulfill condition 3.2(b), the Earnest Money shall be returned to Buyer. Alternatively, Seller may waive in writing any or all of the conditions, in its sole discretion.

Article 4
CLOSING

4.1 *Closing Date.*

(a) *Closing Date.* The closing of the transactions contemplated by this Agreement (the "Closing") shall occur at the offices of First American Title Insurance Co. (the "Escrow Agent"), on or before the earlier of (i) May 1, 2006, (ii) that date which is the first business day which is at least eleven (11) days after entry of the Approval Order, or (iii) on such other date as may be mutually agreed in writing by Buyer and Seller (the "Closing Date"). Notwithstanding the foregoing, in the event that there is a pending appeal or motion for reconsideration relating to the Approval Order, Buyer shall have the sole discretion to close or not close the transactions contemplated by this Agreement in which case Buyer shall be entitled to the Break-Up Fee upon the closing of the sale of the land to another party or parties.

4.2 *Seller's Deliveries at Closing.* At Closing, Seller shall:

(a) Execute, acknowledge and deliver to Buyer all documents necessary to transfer to Buyer all of Seller's right, title and interest in and to the Assets, including the deeds, bills of sale, assumptions under Section 365 of the Bankruptcy Code (the "Bankruptcy Code"), assignments and other documents substantially in the forms set forth in Schedule 4.2(a); and cure any defaults necessary to effect any assumption and assignment of the Contracts and Leases under Section 365 of the Bankruptcy Code;

(b) Deliver to Buyer and Escrow Agent such evidence as the Escrow Agent or Buyer may reasonably require as to the authority of the person or persons executing documents on behalf of Seller;

(c) Deliver to Buyer full ownership, possession, and control of the Assets as described and subject to the limitations set forth in the Survey, Title Policy and Trustee's Deed, subject to the Permitted Encumbrances (with the Records to be at such location(s) on the Real Property as Seller shall appoint);

(d) Deliver to Buyer an executed closing statement approved by Seller;

(e) Deliver to Buyer a certified copy of the Approval Order; and

(f) Deliver such additional documents, including affidavits of non-foreign status, as shall be reasonably required or requested by Escrow Agent or Buyer to consummate the transactions contemplated by this Agreement.

4.3 Buyer's Deliveries at Closing. At Closing, Buyer shall:

(a) Deliver the balance of the Purchase Price plus or minus the prorations to Escrow Agent by wire transfer;

(b) Execute and deliver to Seller an original of every Assumption document which forms a part of each Assignment, Assumption and Consent identified on Schedule 4.2(a);

(c) Deliver to Seller and Escrow Agent such evidence as the Escrow Agent or Seller may reasonably require as to the authority of the person or persons executing documents on behalf of Buyer;

(d) Deliver to Seller an executed closing statement approved by Seller; and

(e) Deliver to Seller such additional documents as shall be reasonably required or requested by Escrow Agent or Buyer to consummate the transaction contemplated by this Agreement.

4.4 Title Policy. At Closing, the Escrow Agent shall be irrevocably committed to issue an ALTA 1970 Form B extended-coverage owner's policy of title insurance to Buyer for and in the name of First American Title Company in the amount of the Purchase Price, insuring Buyer as the vested owner of the Real Property, subject only to the Permitted Encumbrances (the "Title Policy"). Seller shall pay the standard-coverage portion of the premium for the Title Policy, and Buyer shall pay the extended-coverage portion of the premium for the Title Policy and for any endorsements requested by Buyer or Lender for the Buyer. Any endorsements required of Seller under Section 2.6(b) shall be paid by Seller.

4.5 Insurance; Environmental Deposit.

(a) At Closing, with respect to all insurance and surety bonds in force as of the Effective Date with respect to the Contracts or any of the Assets which are the subject of the Contracts, Seller shall cause Buyer to be named in lieu of Seller thereon (whether as primary insured or additional named insured or obligee) and shall provide to Buyer all policies and surety bonds duly marked to reflect the same; and

(b) At or before Closing and if required by the Utah Division of Solid and Hazardous Waste ("DSHW"), Buyer shall have provided a bond or other financial assurance in the amount of Twelve Million dollars (U.S. \$12,000,000) or such lesser amount as is acceptable to DSHW to secure Seller's portion (assumed by Buyer hereunder) of the environmental remediation as delineated in the May 4, 2004 amendment to the USS Agreement (the "Environmental Deposit"). The bond or financial assurance shall meet all requirements of the Utah Department of Environmental Quality for hazardous waste sites and must be issued by a reputable and financially capable insurance carrier or financial institution. The form of bond or financial assurance provided by the Buyer shall be provided to the Seller at least fourteen (14) days before the closing. Seller shall provide Buyer any objections to the bond or financial assurance at least seven (7) days before the closing. Buyer shall cure any objections on or before two (2) days before the closing.

4.6 Taxes. Non-delinquent real property taxes on the Real Property shall be prorated between the parties as of the Closing Date, based upon the amounts (if any) actually paid, assessed or accrued in the previous year for the Real Property. If taxes and assessments due and payable during the year of Closing (or any other years prior to Closing) have not been paid before Closing, Seller shall be charged at Closing an amount equal to that portion of all such taxes and assessments (including interest and penalties, if any) that relates to the period before Closing, and Buyer shall pay the taxes and assessments prior to their becoming delinquent (in the case of any taxes and assessments not already delinquent). With respect to the proration of taxes and assessments, both the principal and accrued interest payable in any installment of assessments paid at or prior to Closing, or next coming due and to be paid by Buyer post-Closing, shall be prorated between Seller and Buyer. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation last fixed. Even though the actual taxes and assessments for the current year differ from the amount apportioned at Closing, the parties shall consider such prorations final and shall make no adjustments or payments between themselves with respect thereto. Seller shall pay and be responsible for all personal property taxes and other taxes, fees and assessments for all periods prior to Closing.

4.7 Costs. Buyer and Seller shall share equally the recording costs, and the Escrow Agent's closing and escrow fee. Buyer and Seller shall pay the premium for the Title Policy in accordance with Section 4.4 hereof.

4.8 Escrow. Upon the execution of this Agreement, Buyer and Seller shall open an escrow account with Escrow Agent (the "Escrow") into which the Earnest Money shall be deposited, into which all documents contemplated hereby shall be delivered, and through which Closing shall occur in accordance with this Agreement and mutually acceptable written closing instructions from Buyer and Seller.

Article 5

RISK OF LOSS/CONDITION OF PROPERTY

SELLER WILL RETAIN ALL RISK OF LOSS UNTIL THE DEED IS RECORDED IN THE REAL PROPERTY RECORDS OF UTAH COUNTY. UPON RECORDATION OF THE DEED, POSSESSION AND RISK OF LOSS RELATED TO THE REAL PROPERTY SHALL PASS TO BUYER. SUBJECT TO THE REPRESENTATIONS AND WARRANTIES OF SELLER CONTAINED IN SECTION 6.1 HEREOF AND IN THE DEED TOGETHER WITH THE LIMITATIONS ON LIABILITIES IN SECTION 8.1. THE ASSETS SHALL BE CONVEYED TO BUYER AT CLOSING "AS IS" AND "WHERE IS"; NEITHER SELLER NOR ANY OF ITS DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES, ATTORNEYS, AGENTS OR REPRESENTATIVES HAS MADE OR MAKES ANY OTHER WARRANTY OR REPRESENTATION WHATSOEVER REGARDING THE ASSETS, OR ANY OTHER MATTER IN ANY WAY RELATED TO THE ASSETS, INCLUDING, BUT NOT LIMITED TO, TITLE TO THE ASSETS, UTILITIES, SUBDIVISION, ZONING, USE, MERCHANTABILITY, FITNESS OF PARTICULAR PURPOSE, VALUE, ENVIRONMENTAL CONDITION, ACCESS, WETLANDS, OR ANY OTHER CONDITION OF THE ASSETS OR ANY IMPROVEMENT OR PERSONAL PROPERTY LOCATED ON THE LAND. THIS ARTICLE 5 SHALL SURVIVE THE CLOSING.

Article 6

REPRESENTATIONS AND WARRANTIES; CONSTRAINTS

6.1 Seller. Seller represents and warrants to Buyer that, as of the Effective Date and as of the Closing Date:

(a) Seller is not a "foreign person" as that term is defined in Internal Revenue Code § 1445;

(b) Subject to obtaining the Approval Order, Seller has all power and authority necessary to enter into this Agreement and to consummate the transactions contemplated hereby;

(c) This Agreement has been duly authorized by all required actions by and on behalf of Seller;

(d) Except for the representations and warranties provided in Section 6.2 hereof, Seller is not relying upon, and hereby specifically waives any claim of liability based on, any statement, representation, warranty, promise, covenant, or undertaking by Buyer or any other person representing or purporting to represent Buyer in connection with the Assets;

(e) All negotiations relating to this Agreement and the transactions contemplated hereby have been carried on without the intervention of any person acting on behalf of Seller in such manner as to give rise to any valid claim against Buyer for any broker's or finder's fee, commission, or similar compensation in connection with the transactions contemplated hereby except as previously approved by the Bankruptcy Court; and

(f) Seller is not in default under the Contracts or Permits.

6.2 Buyer. Buyer represents and warrants to Seller that, as of the Effective Date and as of the Closing Date:

(a) Buyer is a limited liability company duly organized and existing under the laws of the State of Utah;

(b) Buyer has all power and authority necessary to enter into this Agreement and to consummate the transactions contemplated hereby;

(c) This Agreement has been duly authorized by all required actions by or on behalf of Buyer;

(d) Except as expressly provided herein, no consent or approval of any third party is required to authorize Buyer to enter into this Agreement or to consummate the transactions contemplated by this Agreement;

(e) The person or persons signing this Agreement on behalf of Buyer have been duly authorized to do so by all requisite actions by or on behalf of Buyer;

(f) Except for the representations and warranties provided in Section 6.1 hereof, and except for the Approval Order, Buyer is not relying upon, and hereby specifically waives any claim of liability based on, any statement, representation, warranty, promise, covenant, or undertaking by Seller or any other person representing or purporting to represent Seller in connection with the Assets; and

(g) All negotiations relating to this Agreement and the transactions contemplated hereby and thereby have been carried on without the intervention of any person acting on behalf of Buyer in such manner as to give rise to any valid claim against Seller for any broker's or finder's fee, commission, or similar compensation in connection with the transactions contemplated hereby and thereby.

Article 7
CONDEMNATION

If, prior to Closing, any portion of the Real Property is taken by any entity by condemnation or with the power of eminent domain, or if the access thereto is reduced or restricted thereby (or is the subject of a pending taking which has not yet been consummated), Seller shall immediately notify Buyer of such fact. In such event, Buyer shall have the right, in its sole and absolute discretion, to terminate this Agreement upon written notice to Seller and Escrow Agent not later than thirty (30) days after receipt of Seller's notice thereof. If this Agreement is so terminated, all documents, the Earnest Money and funds shall be returned by Escrow Agent to each party who so deposited the same. Neither party shall have any further rights or obligations hereunder, except for payment of escrow cancellation fees which shall be borne equally by Seller and Buyer. Alternatively, Buyer may proceed to consummate the transactions contemplated hereby, at Buyer's sole and absolute election, in which event Seller shall assign and turn over, and Buyer shall be entitled to receive and keep, any and all awards made or to be made in connection with such condemnation or eminent domain, and the parties shall proceed to the Closing pursuant to the terms hereof, without any reduction in the Purchase Price.

Article 8
LIMITATION ON LIABILITY

8.1 Limitation of Liability of Trustee. Buyer further acknowledges that (i) neither Trustee or Seller, nor any principal, agent, attorney, employee, broker or other representative of Trustee or Seller has made any representations or warranties of any kind whatsoever, either express or implied, with respect to the Assets or any of such related matters, and (ii) that Buyer is not relying on any warranty, representation, or covenant, express or implied from Trustee or Seller, with respect to the Assets and that Buyer is acquiring the Assets in an "as-is" condition with all faults. In particular, but without limitation, Trustee and Seller make no representations or warranties with respect to the use, condition, including without limitation the condition of the soils or groundwaters of the Land and the presence or absence of toxic materials or hazardous substances on or under the Land, occupation or management of the Assets, compliance with applicable statutes, laws, codes, ordinances, regulations or requirements relating to leasing, zoning, subdivision, planning, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record), other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements. Buyer acknowledges receipt of the Records, and fully understands (i) the contents thereof, and (ii) that the matters disclosed in the Records may affect Buyer's ability to use, sell, lease, finance or otherwise dispose of or encumber the Assets. Buyer acknowledges that it is knowledgeable in real estate matters, and that having completed the inspection contemplated by this section, Buyer will have made all of the investigations and inspections Buyer deems necessary in connection with its purchase of the Assets, and that any approval by Buyer of such inspections pursuant to Section 2.2 will be deemed

approval by Buyer without reservation of all aspects of this transaction, including but not limited to the physical condition of the Assets, the Leases, the Contracts, the title, and the financial aspects of the operation of the property.

8.2 No Consequential Damages. Notwithstanding any provision of this Agreement to the contrary, neither party nor their respective affiliates, lenders, officers, directors, managers, employees, attorneys, representatives, agents, successors or assigns, shall be liable to the other for incidental, indirect, consequential, or punitive damages resulting from or arising out of this Agreement or the transactions contemplated hereby, loss of profits or business interruption, regardless of how such damages are caused, including, without limitation, the sole, joint, or concurrent negligence of either party, and each party hereby releases the other from such damages. The parties' rights and obligations in this Article 8 shall survive the termination of this Agreement.

Article 9

DEFAULT AND REMEDIES

9.1 Buyer's Remedies on Default. In the event of a default by Seller in the performance of its obligations hereunder, Buyer shall give written notice to Seller designating such default. Seller shall have a period of ten (10) days following receipt of said notice within which to correct the default of which Seller has received notice. If Seller fails to correct and cure such default within said ten (10) day period, Buyer shall have the right to terminate this Agreement or seek specific performance of the terms hereof, all in accordance with the terms hereof, as and for its exclusive remedies under the terms of this Agreement. If the Agreement is terminated pursuant to this Section 9.1, Buyer shall be entitled to the payment of the break-up fee in accordance with Section 10.2(c).

9.2 Seller's Remedies on Default. In the event of a default by Buyer in the performance of its obligations hereunder, Seller shall give written notice to Buyer designating such default. Buyer shall have a period of ten (10) days following receipt of said notice within which to correct the default of which Buyer has received notice. If Buyer fails to correct and cure such default within said ten (10) day period, Seller shall have the right, as its sole remedy hereunder, to terminate this Agreement, retain the Earnest Money, and all other rights, duties, and obligations of the parties hereunder, by giving written notice thereof to Buyer, and to receive as agreed upon liquidated damages, and not as a penalty, the Earnest Money and all other amounts Buyer has paid hereunder. Seller waives any and all other rights to seek damages from Buyer. Buyer agrees and acknowledges that, *inter alia*, the Seller has agreed to the delay in the marketing and selling of the Land and Assets because it has entered into this Agreement and has agreed to submit this Agreement to the Bankruptcy Court for approval. Buyer agrees that the Earnest Money is an appropriate compensation to Seller for the expense and delay incurred by Seller for delay in marketing and submission of the Agreement to the Bankruptcy Court for the time period contemplated by this Agreement. Buyer has had professional and expert assistance in making the determination of this liquidated

damages provision. If Buyer defaults in any of its obligations as provided herein, then Buyer waives any of its rights under Article 10.

Article 10

BREAK-UP FEE; OVERBID PROTECTION; AUCTION PROCEDURES

10.1 Buyer's Reliance on Auction Procedures. Seller acknowledges that Buyer has entered into this Agreement in reliance on Seller's agreement to, and the Bankruptcy Court's approval of, the break-up fee, overbid protection provisions, and auction procedures set forth in this Article 10. Seller shall, within two business days after executing this Agreement, file an appropriate motion with the Bankruptcy Court seeking approval of this Agreement, approval of Buyer as the "stalking horse," and approval of the break-up fee, overbid protection and auction procedures. In no event shall the Auction contemplated herein take place prior to entry of a final, non-appealable order of the Bankruptcy Court approving the Agreement, the Buyer as the "stalking horse," and the break-up fee, overbid protection provisions, and auction procedures contained in this Article 10, in a form mutually approved by the parties ("Bid Procedures Order"). In the event the Bankruptcy Court does not enter the Bid Procedures Order within thirty (30) days after execution of this Agreement, or otherwise orders or allows an auction or further competitive bidding with regard to the Assets on terms other than those which are set forth in this Article 10, or the Bid Procedures Order is appealed, this Agreement may be terminated at Buyer's option.

10.2 Break-up Fee; Overbid Protection. Buyer and Seller agree that bidding shall be conducted in the following manner, and that Buyer shall be entitled to a break-up fee computed as set forth in this Section 10.2, and payable as provided in this Article 10:

(a) Bidding prior to the Auction shall be by sealed bids submitted to the Trustee, with a single bid by each bidder; the bidding shall open immediately following entry of the Bid Procedures Order; the Trustee shall provide to Buyer a copy of all bids within two (2) business days of the Trustee's receipt thereof; and bidding prior to the Auction shall close at 5:00 p.m. Mountain Time on October 31, 2005;

(b) In order for a bid to be a qualified bid entitled to consideration by Seller (any such bid a "Qualified Bid"), the bid (i) shall include evidence satisfactory to Seller of such bidder's financial wherewithal, experience, and ability to timely consummate a transaction in accordance with the requirements of the Agreement; (ii) in the case of all competing bids, in order to be considered a higher or better bid for the Assets, shall (A) provide for an initial purchase price for the Assets of at least 105% of the Purchase Price, payable in cash at Closing (the "Bidder Price"), together with assumption at Closing by the bidder of the Assumed Liabilities, (B) include a good faith deposit in the amount of \$3,000,000 as and for earnest money (the "Bidder Earnest Money Deposit"), in cash or in other form of immediately available funds, which shall in fact be

deposited with the Trustee at least five (5) business days prior to the date of the Auction; and (C) provide for payment to Buyer out of the Bidder Earnest Money Deposit the next business day following entry of the Approval Order of three percent of the Purchase Price under this Agreement (being the sum of \$1,335,000) as and for a termination or break-up fee (the "Break-Up Fee"). For avoidance of doubt, this Agreement shall be deemed to be a Qualified Bid for the Assets; and

(c) The Break-Up Fee shall be deemed a super-priority allowed administrative claim under sections 503(b)(1)(A) and 507(a)(1) of the Bankruptcy Code, senior to all other super-priority claims in the Bankruptcy Proceeding. The Break-Up Fee shall be due and payable (i) upon entry of an Approval Order approving another person as the buyer of the Assets, (ii) on the date of termination of this Agreement pursuant to Section 9.1, (iii) upon the withdrawal of the motion to authorize the sale to Buyer, or such other higher and better bidder, and (iv) if the Seller chooses not to sell the Property to Buyer or any competing buyer.

10.3 Auction Procedures. Seller agrees that the following auction procedures shall be applied in the event the Bankruptcy Court allows or orders further bidding or an auction:

(a) The entirety of the Assets shall be auctioned as a single separate and distinct bid lot at the Auction (as defined below) and any other bid lot at the Auction shall contain only assets which do not include any of the Assets. The Auction shall be a stand-alone auction, meaning that the successful qualified bidder shall be entitled to purchase the Assets notwithstanding that another bidder may attempt to offer more for Seller's entire plant or any other combination of lots which includes the bid lot for the Assets;

(b) The auction for the Assets (the "Auction") shall be on November 7, 2005, commencing at 10:00 a.m. Mountain Time and continuing from day to day until the Auction shall be closed; at the offices of Ray, Quinney & Nebeker, 36 South State Street, Suite 1400, Salt Lake City, Utah. Participants in the Auction shall be Buyer and such other bidders chosen by Seller as the maker of the higher better bid of other bids submitted which shall be Qualified Bids and Seller deems the higher feasible bids. All Qualified Bids must be submitted at least five (5) days prior to the Auction. Buyer shall be provided with a copy of any Qualified Bids within two (2) business days after receipt by Seller. Bids at the Auction shall be in increments of Two Hundred Fifty Thousand Dollars (\$250,000) greater than the last bid, and the Auction shall be closed at such time during the Auction as the then highest bid shall not have been outbid within such reasonable time as the Seller shall then prescribe following the making of such then highest bid;

(c) Seller shall, immediately upon conclusion of the Auction, obtain the Approval Order; and

(d) On the next business day following entry of the Approval Order, if Buyer shall not be the winning bidder, then the Break-Up Fee shall be paid to Buyer out of the winning bidder's Bidder Earnest Money Deposit, and the Earnest Money shall be refunded to Buyer.

(e) *Back Up or Secondary contract.* Buyer understands and agrees that Seller may take a back-up or secondary contract with any third party for the sale of any portion of the Land and Assets, on terms that may be agreed to between Seller and that third party; provided however, any back-up or secondary contract shall be expressly made subject to the failure of this Agreement to close by the Closing Date, and shall provide that it is of no force or effect if this Agreement shall close by the Closing Date. Buyer understands and agrees that this Agreement will be considered a binding back-up or secondary contract upon entry of an Approval Order approving another person as the buyer of the Assets; provided that this Agreement shall only remain valid for sixty (60) days after entry of an Approval Order approving another buyer for the Assets.

Article 11
MISCELLANEOUS

11.1 *Assignment.* Buyer shall have no right to assign its rights and obligations under this Agreement prior to Closing without Seller's prior written consent, which consent may be withheld in Seller's sole discretion. Any assignment by Buyer of its rights and obligations under this Agreement without the prior written consent of Seller shall be void and shall constitute a material default by Buyer hereunder.

11.2 *Entire Agreement/Modification.* This Agreement (together with the Schedules and Exhibits hereto, which Schedules and Exhibits are hereby incorporated herein by reference) sets forth the entire understanding of the parties with respect to the purchase and sale of the Assets. This Agreement supersedes any and all prior negotiations, discussions, agreements and understandings between the parties. This Agreement may not be modified or amended, except by a written agreement executed by both parties.

11.3 *Counterparts/Facsimile Signatures.* This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Facsimile signatures shall be as valid as original signatures.

11.4 *Binding Effect.* All of the covenants, terms, provisions and conditions in this Agreement shall be binding upon and inure to the benefit of the successors of the parties.

11.5 Attorneys' Fees. If either party is in default under this Agreement relating to the interpretation, enforcement, or performance of this Agreement and any legal proceeding is commenced to enforce the rights of the nondefaulting party, the prevailing party in that dispute shall be entitled to collect from the unsuccessful party in addition to any other remedy, all fees and expenses incurred in connection with the proceeding, including but not limited to fees of attorneys, accountants, appraisers, environmental inspectors, consultants, expert witnesses, water consultants, arbitrators, mediators, and court reporters.

11.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah. Any legal suit, action or proceeding against Seller or Buyer arising out of or relating to this Agreement shall be instituted in the federal or any state court in Salt Lake County, Utah, subject to the jurisdiction of the Bankruptcy Court in the Bankruptcy Proceeding, and Seller and Buyer each waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, and Seller and Buyer each hereby irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding.

11.7 No Waiver. No election or waiver of any right or remedy by either party on any occasion shall constitute an election or waiver of the same or any other right or remedy on any other occasion.

11.8 Confidentiality. Seller and Buyer each agree to maintain in confidence any information, whether written (including information that is stored on machine-readable media) or oral, regarding the Assets and the business operations and assets of either party hereto, that previously has not been publicly released by a duly authorized representative of the party hereto to whom such information pertains, including but not limited to proprietary information, plans and specifications, engineering reports, permits, licenses, and contracts affecting the Assets or Buyer's plans for development thereof, or any information relating to the environmental condition of the Land or any market analyses or other studies for Buyer's plans for development thereof, and the negotiation of and/or the terms and conditions of this Agreement (collectively, the "Confidential Information"), except that either party shall have the right to disclose the Confidential Information, or such portions thereof: (a) as may be compelled by deposition, interrogatory, subpoena, civil investigative demand or similar legal process; (b) to the Bankruptcy Court in connection with obtaining Bankruptcy Court approval; and (c) to consultants, advisors, potential and actual lenders and/or investors, and government officials and/or employees in connection with the transaction contemplated by this Agreement or the evaluation, planning, permitting, financing and other necessary development activities. The foregoing prohibition shall not apply to information which: (w) is already known by the receiving party at the time such information is received by such party; (x) is already available to the public without the breach of any duty of confidentiality or nondisclosure; (y) is independently developed by the receiving party without use of any other confidential information; or

(z) is lawfully obtained by the receiving party from any third party not under any confidentiality obligation with respect to such information.

11.9 Relationship of Parties. The relationship of the parties hereto is solely that of Seller and Buyer with respect to the Assets and no joint venture or other partnership exists between the parties hereto. Neither party has any fiduciary relationship hereunder to the other.

11.10 No Third-Party Beneficiary. The provisions of this Agreement and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Buyer only and are not for the benefit of any third party, and accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.

11.11 Severability. If any provision of this Agreement or of any document contemplated hereby shall be invalid, such invalid provision shall be severable, and such invalidity shall not impair the validity of any other provision of this Agreement or of any document contemplated hereby.

11.12 Notices. All notices, demands, and requests which may be or are required to be given by either party to the other shall be in writing and shall be personally served on the designated party, delivered by express courier, sent by delivered telegram or facsimile transmission (if sent by facsimile transmission a duplicate copy shall be sent by first class mail), United States certified or registered mail, postage prepaid, addressed to the parties as follows unless a party hereto designates otherwise in writing:

If to Seller:

James T. Markus, Trustee
Geneva Steel LLC
c/o Block Markus & Williams LLC
1700 Lincoln, Suite 4000
Denver, Colorado 80203
Telephone: (303) 830-0800
Facsimile: (303) 830-0809

With a copy to:

Ray Quinney & Nebeker
Attention: Annette W. Jarvis
36 South State Street, Suite 1400
Salt Lake City, Utah 84070
Telephone: (801) 532-1500
Facsimile: (801) 532-7543

If to Buyer:

Utah Lake Development LLC
c/o Utah Lake Manager LLC
West Glen Corporate Centre
1855 Elmdale Avenue
Glenview, Illinois 60026
Facsimile: (847) 998-9994

With a copy to:

Greenberg Traurig, LLP
Attention: Nancy Peterman
77 West Wacker Drive, Suite 2400
Chicago, Illinois 60601
Facsimile: (312) 456-8435

Any notice given in the form set forth herein shall be deemed given and received as follows: if delivered, when delivered; if sent by delivered telegram, telex or facsimile transmission on the next business day following the sending thereof; and if sent by mail on the fifth business day following the mailing thereof.

11.13 Time of Essence. Time is of the essence of this Agreement; provided, however, that notwithstanding anything to the contrary in this Agreement, if the time period for the performance of any covenant or obligation, satisfaction of any condition or delivery of any notice or item required under this Agreement shall expire on a day other than a business day, such time period shall be extended automatically to the next business day.

11.14 Further Assurances. Seller and Buyer shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable which such party is obligated to take under this Agreement; (i) prior to Closing, to consummate the transactions contemplated in this Agreement, including, without limitation, (A) obtaining all necessary consents, approvals and authorizations required to be obtained from any Governmental Authority or other Person under this Agreement or Applicable Law, and (B) effecting all registrations and filings required under this Agreement or Applicable Law, and (ii) after the Closing, to further effect the transaction contemplated in this Agreement.

11.15 Survival. The provisions of Sections 4.6, 5, 8, 11.11, 11.12, 11.14, 11.15, 11.16, 11.17 and 11.18 shall survive the Closing and delivery of all Closing documents. Further, all reservations of rights of Seller under Sections 1.1, 2.2, shall survive the closing.

11.16 Bankruptcy Court Approval. Within two business days after the execution of this Agreement, the Seller shall file with the Bankruptcy Court a motion to seek entry of the Bid Procedures Order in accordance with Section 10.1 herein and shall

provide notice of the motion in accordance with the Rules of Bankruptcy Procedure and the Local Rules of Procedure for the U.S. Bankruptcy Court for the District of Utah. This Agreement is contingent on the approval of the Bankruptcy Court. If this Agreement is not approved by the Bankruptcy Court, then all things of value shall be returned to Buyer and Buyer and Seller agree that each party shall release the other party from any further obligations hereunder.

11.17 Employer. Buyer may offer employment to one or more of Seller's employees, such employment to commence subsequent to Closing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

[SIGNATURES ON FOLLOWING PAGE]

SELLER:

JAMES T. MARKUS, Chapter 11 Trustee,
GENEVA STEEL LLC, Seller


_____ 6/24/05

BUYER:

Utah Lake Development LLC
By: Utah Lake Manager LLC
Its: Manager

By _____
Its:

SELLER:

JAMES T. MARKUS, Chapter 11 Trustee,
GENEVA STEEL LLC, Seller

BUYER:

Utah Lake Development LLC
By: Utah Lake Manager LLC
Its: Manager

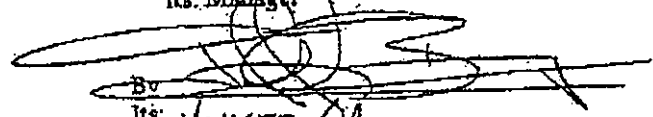

By: _____
Its: MANAGER MEMBER

Exhibit B

GENEVA STEEL AUCTION BID FORM

BID NO. 2

AMENDMENT TO ASSET PURCHASE AGREEMENT

The ASSET PURCHASE AGREEMENT dated June 24, 2005 (the "Agreement") by and between GENEVA STEEL LLC (the "Seller"), by and through JAMES T. MARKUS (the "Trustee"), not personally but solely as Chapter 11 Trustee, and Utah Lake Development LLC, a Delaware limited liability company (the "Buyer") is amended as follows:

1. The Purchase Price set forth in paragraph 1.3 is hereby restated to be \$46,550,000*
2. All other terms and conditions of the Agreement remain the same.

Dated this 17th day of November, 2005.

BUYER:

Utah Lake Development LLC
By: Utah Lake Manager LLC
Its: Manager

By [Signature]
Its: Manager Member

* plus (a) environmental insurance policy for environmental obligations assumed under the Agreement, including cleanup costs estimated by third parties in excess of \$70 million, bodily injury and property damage claims, with limits of liability in excess of \$130 million; and (b) value of adding the estate as an additional insured under this policy.

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "*Agreement*") is made as of June 24, 2005 (the "*Effective Date*"), by and between GENEVA STEEL LLC (the "*Seller*"), by and through JAMES T. MARKUS (the "*Trustee*"), not personally but solely as Chapter 11 Trustee, and Utah Lake Development LLC, a Delaware limited liability company (the "*Buyer*").

RECITALS:

A. Seller is the Debtor in a bankruptcy proceeding pending in the United States Bankruptcy Court for the District of Utah (the "*Bankruptcy Court*") (*In re Geneva Steel LLC*, Case No. 02-21455 GEC) (the "*Bankruptcy Proceeding*").

B. Seller owns a former steel production facility located in Vineyard, Utah, and Buyer desires to purchase, and Seller desires to sell, the real property owned by Seller, Seller's rights under various contracts, and certain other assets.

AGREEMENT:

In consideration of the premises, and other good and valuable consideration, the parties intending to be legally bound, agree as follows:

Article 1 PURCHASE AND SALE

1.1 *Assets To Be Sold.* If Buyer is the highest bidder pursuant to the bidding procedures in Article 10, on the Closing Date, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer has the right (subject to higher and better bids pursuant to the bidding and auction procedures set forth in Article 10) to and shall purchase, accept, acquire and take assignment and delivery of the following assets (collectively, the "*Assets*"):

(a) *Real Property.* That certain parcel of real property located in Vineyard, Utah County, Utah, consisting of approximately one thousand seven hundred (1,700) acres, including without limitation land (the "*Land*"), easements, appurtenances, leasehold interests, rights-of-way, and other real property interests or rights on, in, under or pertaining thereto, and more particularly described on Schedule 1.1(a) (collectively, the "*Real Property*"). The number of acres is an estimate only and the purchase price herein shall not be adjusted for any difference in the actual number of acres that may be determined by an appropriate survey and the number of acres estimated herein. Furthermore, Buyer understands and agrees that it is not relying on the number of estimated acres herein and should the number of acres that may be determined by an appropriate survey and the number of acres estimated herein be different,

Buyer shall nonetheless be required to close if all other conditions to closing as required in this Agreement are met.

(b) *Trade Names and Trademarks.* All trade names and trademarks (the "*Trade Names and Trademarks*"), more particularly described in Schedule 1.1(b).

(c) *Contracts and Leases.*

(1) *Contracts.*

Those contracts pertaining to any of the Real Property more particularly described in Schedule 1.1(c)(1) (collectively, the "*Contracts*"). Contracts to be transferred and assigned under this Agreement shall not include any contracts that Buyer has listed for Seller to reject or are retained by Seller pursuant to this Agreement. The rights in Contracts to be assigned to Buyer shall not include any monetary payments due Seller from any third party which payments are expressly reserved for the benefit of the Seller and the Seller's estate, including but not limited to the payments due from CST Environmental, Inc. (CST) in the amounts of \$1,515,000 due on or before July 1, 2005 and the amount of \$2,026,842 due on or before August 1, 2005, \$507,620 due on or before September 1, 2005, \$504,875 due on or before October 1, 2005 and \$477,454 due on or before November 1, 2005, except that Buyer shall be entitled to monetary payments under the Contracts to the extent such monetary payments arise from or are based on penalties, damages or indemnification rights which arise from the contracting party's failure to timely act subsequent to Closing under the Contract or actions subsequent to Closing by such party which cause damages to the Property or persons or property located thereon. Buyer understands and acknowledges receipt of copies of all agreements between Seller and CST Environmental, Inc. Buyer acknowledges that CST is currently engaged in demolition and salvage operations on the Land. Buyer acknowledges and agrees that Seller has not sold to Buyer pursuant to this Agreement any accounts, receivables or right to receive payment from CST under the CST Agreement, except as stated above.

(2) *Leases.*

Those Leases pertaining to any of the Real Property more particularly described in Schedule 1.1(c)(2) (collectively, the "*Leases*"). The rental payments and other charges from leases shall be prorated as of the Closing pursuant to Article 4. Leases to be transferred and assigned under this Agreement shall not include any leases that Buyer has listed for Seller to reject pursuant to this Agreement. Any leases that are non-residential leases wherein Seller is the lessor that Buyer has listed for Seller to reject pursuant to this Agreement may be rejected by Seller;

however, any lessees pursuant to those rejected leases may have certain rights pursuant to 11 U.S.C. § 365(b) and Seller specifically makes no representations or warranties pertaining to those leases and the intent of the lessees pursuant to those leases;

(d) *Permits.* All existing permits, licenses, approvals, and authorizations issued by any governmental authority in connection with or affecting such real property (collectively, the "Permits"), including without limitation those listed on Schedule 1.1(d), if and to the extent the same or any interest therein may be transferred to Buyer. Seller specifically makes no representations or warranties on the transferability or assignability of permits, licenses, approvals, and authorizations but shall cooperate with Buyer in attempting to transfer the Permits to Buyer;

(e) *ERCs.* Certain banked emission reduction credits for exclusive use on the Land owned by Seller in Utah County, Utah, with the Utah Division of Air Quality (the "DAQ") under Utah Administrative Code ("UAC") R307-403-8, as more particularly identified in that Schedule 1.1(e) (collectively, the "ERCs").

(f) *Records.* All files relating to the Contracts and Leases, drawings, plans, specifications, shop drawings, environmental data files, and information and documentation relating to the Assets, including but not limited to the due diligence materials that have previously been provided to Buyer by Seller (collectively, the "Records"), however, excluding the Seller's personnel, business, financial, accounting and operational records, and similar records which Seller requires to administer the Bankruptcy Proceeding or any files or records relating to the Excluded Property (defined herein) and any records which may be reasonably subject to the attorney/client or work product privileges. Buyer acknowledges that Seller has fiduciary duties under the Bankruptcy Code relating to the records of the Seller. Therefore, Buyer agrees to retain all Records for a reasonable period of time after closing for inspection and review by Seller or Seller's agent at any reasonable business hours upon giving reasonable advance notice. Before destruction of any records transferred to Buyer hereunder, Buyer will notify Seller of the intent to destroy the records. Seller shall have five business days to review those documents to be destroyed and if Seller fails to so notify Buyer, Buyer may destroy any of the records subject to the notice. Seller may inspect and review any of those documents to be destroyed and may make copies or extracts thereof at Seller's sole cost and expense. Subsequent to Closing, Seller shall cooperate with Buyer in jointly notifying the companies which prepared the Records that Buyer is the owner of the Records and is entitled to all of Seller's rights to the Records and the work product and services which resulted in the Records.

The Assets shall be sold and purchased "AS IS, WHERE IS", free and clear of any mortgage, lien, pledge, option, security interest, claim, charge, action, or other encumbrance or interest of any kind whatsoever, except for the Permitted

Encumbrances (as defined herein), as a result of entry of the Approval Order (as hereinafter defined).

1.2 Excluded Property. The assets and property interests to be retained by Seller, and which are excluded from the sale to Buyer under this Agreement, include all assets and property interests of the Seller not listed in Schedules 1.1(a) through 1.1(f) (the "Excluded Property"). Excluded Property includes but is not limited to those assets and property interests listed in Schedule 1.2.

1.3 Purchase Price. Except as may be adjusted by virtue of prorations and the bidding process under Article 10, Buyer shall pay an aggregate purchase price of Forty Four Million Five Hundred Thousand and 00/100 Dollars (\$44,500,000) for the Assets (the "Purchase Price"). The Purchase Price shall be paid as follows:

(a) Earnest Money. Within five (5) business days after entry of the Bid Procedures Order, Buyer shall deliver an earnest money deposit to the Escrow Agent (together with all interest earned thereon, the "Earnest Money") in the amount of Five Hundred Thousand Dollars to be increased to a total of Five Million Dollars (\$5,000,000.00) within five (5) business days of the expiration of the Inspection Period. The Earnest Money shall be held by the Escrow Agent subject to this Agreement, and shall be invested at interest in U.S. Government Securities with all interest and other amounts earned on the Earnest Money being deemed additional Earnest Money. All Earnest Money shall be applied toward payment of the Purchase Price or shall be returned to Buyer if Buyer is not the successful purchaser of the Assets in accordance with Section 10.3. At Buyer's option, the Earnest Money may be provided in cash or a letter of credit. As used in this Agreement, a "business day" is any day on which banks are open for business in Utah.

(b) Allocation. The Purchase Price shall be allocated among the Assets in a manner to be designated by Buyer prior to Closing; provided however, the allocation shall not cause Seller to incur or be liable for any taxes which cannot be offset by Seller's currently existing and valid net operating losses. Buyer and Seller each shall file their federal and state income tax returns (and Form 8594, if applicable) on the basis of such allocation. Neither Buyer nor Seller shall take a tax return position inconsistent with such allocation unless such position arises from or through an audit or other inquiry or examination by the Internal Revenue Service or other government authority.

(c) Balance of Purchase Price. Buyer shall pay the balance of the Purchase Price at Closing in immediately available funds. Immediately available funds shall mean a wire transfer payable to the account Escrow Agent for the benefit of Seller.

(d) Seller's Expense. All items designated in this Agreement to be at Seller's expense shall be accorded administrative expense status in the Bankruptcy Proceeding.

1.4 Liabilities To Be Assumed By Buyer. As of the Closing Date, Buyer shall assume and be obligated to discharge those liabilities and obligations arising out of or resulting from: (i) the transfer, assumption and assignment of the Permits, Contracts and Leases; (ii) the operation or ownership subsequent to the Closing of the Assets, including but not limited to liabilities on Schedules 1.4 and 2.6; and (iii) the Environmental Liabilities as defined herein and including but not limited to the those liabilities listed in Schedule 1.4 (the "Assumed Liabilities"). However, by virtue of this provision Buyer does not admit any liability for any debts, contracts, agreements, commitments, or obligations. Furthermore, this provision is not intended to benefit any third party.

1.5 Liabilities To Be Retained By Seller. Seller shall retain and remain liable for and obligated for all of the debts, contracts, agreements, commitments, obligations and other liabilities of Seller other than the Assumed Liabilities, including without limitation those more particularly identified on Schedule 1.5. However, by virtue of this provision Seller does not admit any liability for any debts, contracts, agreements, commitments, or obligations. Furthermore, this provision is not intended to benefit any third party.

Article 2

REVIEW AND INSPECTION OF PROPERTY; SURVEYS; TITLE

2.1 Property Documents. Seller has provided to Buyer and agrees to reasonably cooperate further in providing copies of various contracts, leases, Permits, documents, instruments, and writings related to the Assets (collectively, the "Property Documents") in its possession or control, including, without limitation, leases affecting the Land, statements for the Real Property showing taxes, utility bills, insurance bills, and other expenses relating to the Real Property, agreements between Seller and U.S. Steel Corporation dated June 26, 1987, as amended and restated August 31, 1987 and as amended May 4, 2004 (hereafter the "USS Agreement"), environmental reports, utilities serving the Real Property, soils reports, engineering reports, well reports, maps or surveys, records relating to Hazardous Materials (as defined in Schedule 1.4) in, on, under or affecting the Land, maintenance and other records relating to the Real Property, information and records concerning the current and past ownership of the ERCs, the nature and extent of the emission reductions underlying the ERCs, and information in Seller's possession regarding the validity and transferability of the ERCs under applicable laws and regulations; provided, however, that Seller shall incur no cost or expense in connection with providing the Property Documents, other than any cost or expense to Seller relating to reasonable personnel time to collect and assemble the Property Documents and the cost and expense of copying the Property Documents for which Buyer is not liable. Buyer acknowledges that all Property Documents obtained from Seller or its employees, agents and representatives are provided as an accommodation to Buyer and without representation or warranty as to their completeness or accuracy, and that Buyer shall rely on its own due diligence in making the decision to accept or object to the condition of the Real Property, as permitted under Sections 2.2, 2.3, and 2.6(b) hereof and under other applicable provisions hereof. Buyer

hereby waives and releases Seller and Trustee from any claim, cause of action, demand, or liability for any misstatement, inaccuracy, or misrepresentation in the Property Documents, but reserves its rights to terminate this Agreement as provided for herein. Buyer's sole remedy as against Seller and Trustee for any inaccuracy or misstatement in any of the Property Documents shall be its right to terminate this Agreement as provided herein.

2.2 Right of Entry. In addition to the rights of Buyer and Seller under any site access agreement now in effect between Buyer and Seller, beginning on the date on which the Bankruptcy Court enters the Bid Procedures Order and continuing for ninety (90) days thereafter (the "*Inspection Period*"), Buyer and its employees, agents, and independent contractors (the "*Buyer's Representatives*") shall have the right to enter on the Land, upon reasonable prior notice to and with the consent of Seller to perform, at Buyer's expense, structural, soil, hydrological, ecological, archeological, environmental site assessment (including a Phase I environmental site assessment, and, with the prior written consent of Seller, which consent shall not be unreasonably withheld or delayed, any Phase II environmental site assessment), engineering and geotechnical soils testing, environmental studies and reports, and surveys, inspections relating to the condition of the Real Property, the availability and adequacy of utilities to serve the Real Property, any other matters related to the zoning, subdivision, use, development, operation, and occupancy of the Real Property, and any other studies, inspections, and reports as Buyer deems appropriate in its sole and absolute discretion. Seller's consent shall be subject to reasonable restrictions imposed by Seller, including but not limited to, Seller's right to accompany Buyer or Buyer's Representatives while on the Land and Seller's right to limit any activities or actions proposed by Buyer. Buyer shall indemnify and hold Seller harmless from any lien, loss, claim, liability, damage or expense, including reasonable attorneys' fees and costs, that Seller may suffer or incur, arising out of or in connection with Buyer's entry upon the Land and inspection of the Real Property, including, without limitation, any actual loss, damage, or liability that Seller may suffer or incur by reason of any injury to any person or property caused by Buyer, its employees, agents, or independent contractors. Upon the completion by Buyer of any and all such testing, investigations or inspections of the Real Property, Buyer shall repair any material damage to the Real Property caused by Buyer's entry pursuant to this Section 2.2. Notwithstanding anything to the contrary provided in this Section 2.2, Buyer shall not be liable to Seller with respect to any environmental or physical condition that is merely discovered, as opposed to caused, by Buyer. Buyer's obligations hereunder shall survive for one (1) year after termination of this Agreement or Closing, as the case may be. Buyer shall provide reasonable notice to Seller before making any inspection. During any inspection, Buyer should coordinate its activities with existing operations on the Property with Mike Curtis or such other person designed by Trustee. Furthermore, Buyer understands that certain third parties are conducting salvage and dismantling operations on the Land and Buyer agrees that none of its activities will interfere with Seller's or any of such third parties' operations. Buyer shall fully comply with all of Seller's safety, and environmental containment policies and procedures while conducting its inspections. If Buyer terminates this Agreement, Buyer shall provide to Seller within three (3) business days, copies of any reports, inspections, studies, lab-reports, data, and all other reasonably requested

information relating to Buyer's inspections and studies relating to the Real Property. Prior to Closing, Buyer shall keep and maintain all information obtained as a result of its inspections and testing strictly confidential and shall not disclose any such information to any third party other than Buyer's counsel, advisors, affiliates, insurance companies and other parties assisting Buyer with the transaction contemplated by this Agreement either verbally or in writing, except as is approved by the Trustee or may be required by any governmental agency having jurisdiction over the matter, by appropriate order of the Bankruptcy Court or a proper subpoena issued in the Bankruptcy Proceeding. The parties agree that Seller may enforce any of the provisions of this paragraph upon motion to the Bankruptcy Court upon reasonable notice to Buyer.

2.3 Property Unsuitable/Right to Terminate.

(a) *Right to Terminate.* If, at any time prior to the expiration of the Inspection Period, Buyer determines, in its sole and absolute discretion, that the Assets, or any aspect thereof, are unsuitable or undesirable for the Buyer's intended use, or for any other reason in Buyer's sole discretion, Buyer shall have the right to terminate this Agreement by giving written notice thereof to Seller, and this Agreement shall terminate and the Earnest Money shall immediately be returned to Buyer. Seller has made no representation or warranty to Buyer with respect to Buyer's intended use of the Assets and nothing in this Section 2.3 shall be interpreted or construed as any representation by Seller relating to the Buyer's intended use or for that matter any use of the Assets.

(b) *Conditional Termination.* Buyer shall also have the right, in its sole and absolute discretion, to disapprove or object to any aspect of the Assets for any reason on or before the expiration of the Inspection Period, but may request Seller to cure any defect. To timely disapprove of any such aspects of the condition of the Assets, Buyer shall deliver in writing, by hand delivery or facsimile transmission, to Seller at the address provided in Section 11.12 a written notice detailing the defect noted by the Buyer. Seller shall have ten (10) days to use its diligent best efforts to remedy, to Buyer's satisfaction, any disapproved item or aspect of the Assets. If Seller does not remedy any disapproved item or aspect, then Buyer may waive its objection to such disapproved item or aspect or may terminate this Agreement by giving Seller notice of termination within five (5) days after the expiration of the ten (10) day cure period.

(c) *Waiver of Right to Terminate.* If Buyer fails to disapprove or object to any aspect of the Assets in writing on or before the expiration of the Inspection Period as provided in Section 2.3(a) or (b), then the condition of the Assets shall be deemed approved, and Buyer shall be irrevocably deemed to have accepted the condition of the Assets, and this Agreement shall remain in full force and effect. If Buyer fails to disapprove or object to any aspect of the Assets in writing as provided herein or before the expiration of the Inspection Period or if Buyer waives its rights as to the objection to any aspect of Assets.

then the Earnest Money provided for in Section 1.3(a) shall be deemed non-refundable and shall be subject to the procedures provided for in Article 10 herein.

2.4 Survey. On or before July 29, 2005, Seller shall at its expense have the Real Property surveyed by Sunrise Engineering, which survey (the "Survey") shall contain and be in accordance with the survey standards and form of certificate set forth on Schedule 2.4. The Survey shall include the legal description of the Land, and such description shall be used in the Deed at Closing.

2.5 Rejections of Certain Contracts and Leases; Removal of Certain Improvements. Before Closing, Seller shall obtain an order of the Bankruptcy Court authorizing the rejection of certain executory contracts and unexpired leases more particularly identified on Schedule 2.5 and which rejection shall be deemed effective upon the Closing unless otherwise deemed to be rejected or terminated before Closing; however, Buyer acknowledges that the lessees pursuant to any such rejected leases may have certain rights pursuant to 11 U.S.C. § 365(h) and Seller specifically makes no representations or warranties pertaining to those leases and the intent of the lessees pursuant to those leases.

2.6 Title.

(a) Inspection Period. Buyer shall have until the expiration of the Inspection Period to inspect, review, and approve or disapprove: (a) a current preliminary title report or commitment provided by Seller and covering the Land (the "Title Report"), issued by First American Title Insurance Company accompanied by copies of all exception and other documents referred to in the Title Report; (b) copies of the most recent property tax bills for the Land provided by Seller; and (c) a copy of Seller's title insurance policy covering the Land, if available, which Title Report, policy and survey (if available) shall be provided by Seller on or before July 10, 2005;

(b) Title and Survey Objections. Buyer shall have until the date which is sixty (60) days from the date on which the Bankruptcy Court enters the Bid Procedures Order ("Title Date") to inspect, review, and approve or disapprove the Title Report and Survey. On or before the Title Date, Buyer shall notify Seller in writing (the "Title Notice") of the exceptions to title shown on the Title Report, if any, and of any Survey matters to which Buyer objects. If Buyer fails to timely notify Seller in writing of its objections to any such title exceptions or Survey matters on or before Title Date, Buyer shall be deemed to have approved the title to the Real Property and the Survey, and Buyer shall be irrevocably deemed to have accepted the condition of Title and Survey, and this Agreement shall remain in full force and effect except as provided in Sections 2.8 and 10.3(d). If Buyer timely disapproves any aspects of the Title Report or the Survey in writing, Seller shall have ten (10) days to use its diligent best efforts to remedy, to the Buyer's satisfaction, any disapproved item or aspect of the Title Report or the Survey. To remedy any title defect, Seller may, at its sole option

and expense, obtain title insurance coverage by appropriate endorsement insuring over or around the defect. If Seller is unable to remedy the defect noted by Buyer, Buyer shall have the right either to waive its objection to such disapproved matters or to terminate this Agreement.

(c) *Permitted Encumbrances.* The Assets shall be conveyed and transferred subject only to those matters to which Buyer does not timely object in the appropriate manner provided herein (collectively, the "Permitted Encumbrances") including those Permitted Encumbrances described in Schedule 2.6.

2.7 *Modifications to Schedules.* On or before July 15, 2005, or such later date as is mutually agreed, each party shall provide written notice to the other party of any modifications or amendments (the "Requested Modifications") it wishes to make to the Schedules. Within three (3) business days after its receipt of any Requested Modifications, each party shall provide to the other party, in writing, any objection it may have to the Requested Modifications. If a party objects to any of the Requested Modifications, then the other party shall have the right to either: (a) withdraw the Requested Modification(s) in question or (b) terminate this Agreement.

2.8 *Effect of Termination.* If this Agreement is terminated in accordance with its terms, then neither party shall have any further rights or obligations hereunder (except for any indemnity obligations of either party pursuant to the other provisions of this Agreement, and other than those obligations that expressly survive termination), each party shall bear its own costs incurred hereunder, any Earnest Money shall be paid to Buyer, Buyer shall if requested by Seller execute and deliver to Seller a quitclaim deed to the Land, and Buyer shall return to Seller all copies of all Property Documents, including but not limited to all electronic or computer files. Further, Buyer agrees to hold in strict confidence and to not disclose the structural, soil, hydrological, ecological, archeological, environmental site assessment, engineering and geotechnical soils testing, environmental studies and reports, and surveys, inspections relating to the condition of the Real Property, and any third-party reports, inspections, studies, lab-reports or data obtained by Buyer and relating to the Real Property.

Article 3

CONDITIONS PRECEDENT TO CLOSING

3.1 *Buyer's Conditions Precedent.* The obligation of Buyer to consummate the purchase of the Assets and to consummate the other transactions contemplated hereby at the Closing as contemplated by this Agreement shall be subject to the satisfaction of or waiver in writing by Buyer, in its sole discretion, on or prior to the Closing Date (except as expressly noted otherwise below) of each of the following conditions precedent (each a "Condition," and collectively the "Conditions"):

- (a) The Escrow Agent commits in writing to issue the Title Policy;

(b) Seller obtains an order of the Bankruptcy Court in the Bankruptcy Proceeding in a form acceptable to Buyer approving this Agreement and sale of the Assets pursuant to Section 363 of the Bankruptcy Code, free and clear of all liens, claims, interests and encumbrances, other than the Permitted Encumbrances, including a determination under Section 363(m) of the Bankruptcy Code that Buyer purchased the Assets in good faith, and a determination under Section 363(n) that the sale price was not controlled by an agreement among potential bidders, and approving the assumption and assignment of the Contracts listed in Schedule 1.1(c) pursuant to Section 365 of the Bankruptcy Code, determining what constitutes a cure of defaults thereunder, and approving rejection of the contracts and leases set forth on Schedule 2.5 in a form mutually approved by the parties (the "Approval Order"), which Approval Order shall not have been reversed, stayed, modified, or amended in any respect and as to which the time to seek review shall have expired and no appeal or petition for review or rehearing shall be pending;

(c) Seller delivers all items required to be delivered by Seller under Section 4.2 hereof;

(d) All of the representations and warranties of Seller contained in this Agreement are true and correct in all material respects as of the Closing Date;

(e) Seller performs and observes, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the Closing Date;

(f) Between the Effective Date and the Closing Date, no material adverse change occurs in the condition of any component of the Assets; provided however, Buyer agrees that the demolition and salvage operations of CST shall in no manner constitute a material adverse change and that the removal of machinery and equipment under the Qingdao Agreement shall not constitute a materially adverse change.

If any of the foregoing Conditions are not satisfied before the Closing Date, then Buyer may terminate this Agreement by written notice to Seller before the Closing and the Earnest Money shall immediately be returned to Buyer. Alternatively, Buyer may waive in writing any or all of the Conditions, in its sole discretion.

3.2 Seller's Conditions Precedent. The obligation of Seller to consummate the sale of the Assets and to consummate the other transactions contemplated hereby at the Closing as contemplated by this Agreement shall be subject to the satisfaction of or waiver in writing by Seller, in its sole discretion, on or prior to the Closing Date (except as expressly noted otherwise below) of each of the following conditions precedent:

(a) Buyer delivers all items required to be delivered by Buyer under Section 4.3 hereof, including the Purchase Price; and shall have made the Environmental Deposit under Section 4.3;

(b) Seller shall have obtained the Approval Order;

(c) All of the representations and warranties of Buyer contained in this Agreement are true and correct in all material respects as of the Closing Date; and

(d) Buyer performs and observes, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Buyer as of the Closing Date.

If any of the foregoing conditions are not satisfied before the Closing Date, then Seller may terminate this Agreement by written notice to Buyer before the closing. If Seller fails to fulfill condition 3.2(b), the Earnest Money shall be returned to Buyer. Alternatively, Seller may waive in writing any or all of the conditions, in its sole discretion.

Article 4 CLOSING

4.1 Closing Date.

(a) *Closing Date.* The closing of the transactions contemplated by this Agreement (the "Closing") shall occur at the offices of First American Title Insurance Co. (the "Escrow Agent"), on or before the earlier of (i) May 1, 2006, (ii) that date which is the first business day which is at least eleven (11) days after entry of the Approval Order, or (iii) on such other date as may be mutually agreed in writing by Buyer and Seller (the "Closing Date"). Notwithstanding the foregoing, in the event that there is a pending appeal or motion for reconsideration relating to the Approval Order, Buyer shall have the sole discretion to close or not close the transactions contemplated by this Agreement in which case Buyer shall be entitled to the Break-Up Fee upon the closing of the sale of the land to another party or parties.

4.2 Seller's Deliveries at Closing. At Closing, Seller shall:

(a) Execute, acknowledge and deliver to Buyer all documents necessary to transfer to Buyer all of Seller's right, title and interest in and to the Assets, including the deeds, bills of sale, assumptions under Section 365 of the Bankruptcy Code (the "Bankruptcy Code"), assignments and other documents substantially in the forms set forth in Schedule 4.2(a); and cure any defaults necessary to effect any assumption and assignment of the Contracts and Leases under Section 365 of the Bankruptcy Code;

(b) Deliver to Buyer and Escrow Agent such evidence as the Escrow Agent or Buyer may reasonably require as to the authority of the person or persons executing documents on behalf of Seller;

(c) Deliver to Buyer full ownership, possession, and control of the Assets as described and subject to the limitations set forth in the Survey, Title Policy and Trustee's Deed, subject to the Permitted Encumbrances (with the Records to be at such location(s) on the Real Property as Seller shall appoint);

(d) Deliver to Buyer an executed closing statement approved by Seller;

(e) Deliver to Buyer a certified copy of the Approval Order; and

(f) Deliver such additional documents, including affidavits of non-foreign status, as shall be reasonably required or requested by Escrow Agent or Buyer to consummate the transactions contemplated by this Agreement.

4.3 Buyer's Deliveries at Closing. At Closing, Buyer shall:

(a) Deliver the balance of the Purchase Price plus or minus the prorations to Escrow Agent by wire transfer;

(b) Execute and deliver to Seller an original of every Assumption document which forms a part of each Assignment, Assumption and Consent identified on Schedule 4.2(a);

(c) Deliver to Seller and Escrow Agent such evidence as the Escrow Agent or Seller may reasonably require as to the authority of the person or persons executing documents on behalf of Buyer;

(d) Deliver to Seller an executed closing statement approved by Seller; and

(e) Deliver to Seller such additional documents as shall be reasonably required or requested by Escrow Agent or Buyer to consummate the transaction contemplated by this Agreement.

4.4 Title Policy. At Closing, the Escrow Agent shall be irrevocably committed to issue an ALTA 1970 Form B extended-coverage owner's policy of title insurance to Buyer for and in the name of First American Title Company in the amount of the Purchase Price, insuring Buyer as the vested owner of the Real Property, subject only to the Permitted Encumbrances (the "Title Policy"). Seller shall pay the standard-coverage portion of the premium for the Title Policy, and Buyer shall pay the extended-coverage portion of the premium for the Title Policy and for any endorsements requested by Buyer or Lender for the Buyer. Any endorsements required of Seller under Section 2.6(b) shall be paid by Seller.

4.5 Insurance: Environmental Deposit.

(a) At Closing, with respect to all insurance and surety bonds in force as of the Effective Date with respect to the Contracts or any of the Assets which are the subject of the Contracts, Seller shall cause Buyer to be named in lieu of Seller thereon (whether as primary insured or additional named insured or obligee) and shall provide to Buyer all policies and surety bonds duly marked to reflect the same; and

(b) At or before Closing and if required by the Utah Division of Solid and Hazardous Waste ("DSHW"), Buyer shall have provided a bond or other financial assurance in the amount of Twelve Million dollars (U.S. \$12,000,000) or such lesser amount as is acceptable to DSHW to secure Seller's portion (assumed by Buyer hereunder) of the environmental remediation as delineated in the May 4, 2004 amendment to the USS Agreement (the "Environmental Deposit"). The bond or financial assurance shall meet all requirements of the Utah Department of Environmental Quality for hazardous waste sites and must be issued by a reputable and financially capable insurance carrier or financial institution. The form of bond or financial assurance provided by the Buyer shall be provided to the Seller at least fourteen (14) days before the closing. Seller shall provide Buyer any objections to the bond or financial assurance at least seven (7) days before the closing. Buyer shall cure any objections on or before two (2) days before the closing.

4.6 Taxes. Non-delinquent real property taxes on the Real Property shall be prorated between the parties as of the Closing Date, based upon the amounts (if any) actually paid, assessed or accrued in the previous year for the Real Property. If taxes and assessments due and payable during the year of Closing (or any other years prior to Closing) have not been paid before Closing, Seller shall be charged at Closing an amount equal to that portion of all such taxes and assessments (including interest and penalties, if any) that relates to the period before Closing, and Buyer shall pay the taxes and assessments prior to their becoming delinquent (in the case of any taxes and assessments not already delinquent). With respect to the proration of taxes and assessments, both the principal and accrued interest payable in any installment of assessments paid at or prior to Closing, or next coming due and to be paid by Buyer post-Closing, shall be prorated between Seller and Buyer. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation last fixed. Even though the actual taxes and assessments for the current year differ from the amount apportioned at Closing, the parties shall consider such prorations final and shall make no adjustments or payments between themselves with respect thereto. Seller shall pay and be responsible for all personal property taxes and other taxes, fees and assessments for all periods prior to Closing.

4.7 Costs. Buyer and Seller shall share equally the recording costs, and the Escrow Agent's closing and escrow fee. Buyer and Seller shall pay the premium for the Title Policy in accordance with Section 4.4 hereof.

4.8 Escrow. Upon the execution of this Agreement, Buyer and Seller shall open an escrow account with Escrow Agent (the "Escrow") into which the Earnest Money shall be deposited, into which all documents contemplated hereby shall be delivered, and through which Closing shall occur in accordance with this Agreement and mutually acceptable written closing instructions from Buyer and Seller.

Article 5
RISK OF LOSS/CONDITION OF PROPERTY

SELLER WILL RETAIN ALL RISK OF LOSS UNTIL THE DEED IS RECORDED IN THE REAL PROPERTY RECORDS OF UTAH COUNTY. UPON RECORDATION OF THE DEED, POSSESSION AND RISK OF LOSS RELATED TO THE REAL PROPERTY SHALL PASS TO BUYER. SUBJECT TO THE REPRESENTATIONS AND WARRANTIES OF SELLER CONTAINED IN SECTION 6.1 HEREOF AND IN THE DEED TOGETHER WITH THE LIMITATIONS ON LIABILITIES IN SECTION 8.1, THE ASSETS SHALL BE CONVEYED TO BUYER AT CLOSING "AS IS" AND "WHERE IS"; NEITHER SELLER NOR ANY OF ITS DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES, ATTORNEYS, AGENTS OR REPRESENTATIVES HAS MADE OR MAKES ANY OTHER WARRANTY OR REPRESENTATION WHATSOEVER REGARDING THE ASSETS, OR ANY OTHER MATTER IN ANY WAY RELATED TO THE ASSETS, INCLUDING, BUT NOT LIMITED TO, TITLE TO THE ASSETS, UTILITIES, SUBDIVISION, ZONING, USE, MERCHANTABILITY, FITNESS OF PARTICULAR PURPOSE, VALUE, ENVIRONMENTAL CONDITION, ACCESS, WETLANDS, OR ANY OTHER CONDITION OF THE ASSETS OR ANY IMPROVEMENT OR PERSONAL PROPERTY LOCATED ON THE LAND. THIS ARTICLE 5 SHALL SURVIVE THE CLOSING.

Article 6
REPRESENTATIONS AND WARRANTIES; CONSTRAINTS

6.1 Seller. Seller represents and warrants to Buyer that, as of the Effective Date and as of the Closing Date:

(a) Seller is not a "foreign person" as that term is defined in Internal Revenue Code § 1445;

(b) Subject to obtaining the Approval Order, Seller has all power and authority necessary to enter into this Agreement and to consummate the transactions contemplated hereby;

(c) This Agreement has been duly authorized by all required actions by and on behalf of Seller;

(d) Except for the representations and warranties provided in Section 6.2 hereof, Seller is not relying upon, and hereby specifically waives any claim of liability based on, any statement, representation, warranty, promise, covenant, or undertaking by Buyer or any other person representing or purporting to represent Buyer in connection with the Assets;

(e) All negotiations relating to this Agreement and the transactions contemplated hereby have been carried on without the intervention of any person acting on behalf of Seller in such manner as to give rise to any valid claim against Buyer for any broker's or finder's fee, commission, or similar compensation in connection with the transactions contemplated hereby except as previously approved by the Bankruptcy Court; and

(f) Seller is not in default under the Contracts or Permits.

6.2 Buyer. Buyer represents and warrants to Seller that, as of the Effective Date and as of the Closing Date:

(a) Buyer is a limited liability company duly organized and existing under the laws of the State of Utah;

(b) Buyer has all power and authority necessary to enter into this Agreement and to consummate the transactions contemplated hereby;

(c) This Agreement has been duly authorized by all required actions by or on behalf of Buyer;

(d) Except as expressly provided herein, no consent or approval of any third party is required to authorize Buyer to enter into this Agreement or to consummate the transactions contemplated by this Agreement;

(e) The person or persons signing this Agreement on behalf of Buyer have been duly authorized to do so by all requisite actions by or on behalf of Buyer;

(f) Except for the representations and warranties provided in Section 6.1 hereof, and except for the Approval Order, Buyer is not relying upon, and hereby specifically waives any claim of liability based on, any statement, representation, warranty, promise, covenant, or undertaking by Seller or any other person representing or purporting to represent Seller in connection with the Assets; and

(g) All negotiations relating to this Agreement and the transactions contemplated hereby and thereby have been carried on without the intervention of any person acting on behalf of Buyer in such manner as to give rise to any valid claim against Seller for any broker's or finder's fee, commission, or similar compensation in connection with the transactions contemplated hereby and thereby.

Article 7
CONDEMNATION

If, prior to Closing, any portion of the Real Property is taken by any entity by condemnation or with the power of eminent domain, or if the access thereto is reduced or restricted thereby (or is the subject of a pending taking which has not yet been consummated), Seller shall immediately notify Buyer of such fact. In such event, Buyer shall have the right, in its sole and absolute discretion, to terminate this Agreement upon written notice to Seller and Escrow Agent not later than thirty (30) days after receipt of Seller's notice thereof. If this Agreement is so terminated, all documents, the Earnest Money and funds shall be returned by Escrow Agent to each party who so deposited the same. Neither party shall have any further rights or obligations hereunder, except for payment of escrow cancellation fees which shall be borne equally by Seller and Buyer. Alternatively, Buyer may proceed to consummate the transactions contemplated hereby, at Buyer's sole and absolute election, in which event Seller shall assign and turn over, and Buyer shall be entitled to receive and keep, any and all awards made or to be made in connection with such condemnation or eminent domain, and the parties shall proceed to the Closing pursuant to the terms hereof, without any reduction in the Purchase Price.

Article 8
LIMITATION ON LIABILITY

8.1 Limitation of Liability of Trustee. Buyer further acknowledges that (i) neither Trustee or Seller, nor any principal, agent, attorney, employee, broker or other representative of Trustee or Seller has made any representations or warranties of any kind whatsoever, either express or implied, with respect to the Assets or any of such related matters, and (ii) that Buyer is not relying on any warranty, representation, or covenant, express or implied from Trustee or Seller, with respect to the Assets and that Buyer is acquiring the Assets in an "as-is" condition with all faults. In particular, but without limitation, Trustee and Seller make no representations or warranties with respect to the use, condition, including without limitation the condition of the soils or groundwaters of the Land and the presence or absence of toxic materials or hazardous substances on or under the Land, occupation or management of the Assets, compliance with applicable statutes, laws, codes, ordinances, regulations or requirements relating to leasing, zoning, subdivision, planning, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record), other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements. Buyer acknowledges receipt of the Records, and fully understands (i) the contents thereof, and (ii) that the matters disclosed in the Records may affect Buyer's ability to use, sell, lease, finance or otherwise dispose of or encumber the Assets. Buyer acknowledges that it is knowledgeable in real estate matters, and that having completed the inspection contemplated by this section, Buyer will have made all of the investigations and inspections Buyer deems necessary in connection with its purchase of the Assets, and that any approval by Buyer of such inspections pursuant to Section 2.2 will be deemed

approval by Buyer without reservation of all aspects of this transaction, including but not limited to the physical condition of the Assets, the Leases, the Contracts, the title, and the financial aspects of the operation of the property.

8.2 No Consequential Damages. Notwithstanding any provision of this Agreement to the contrary, neither party nor their respective affiliates, lenders, officers, directors, managers, employees, attorneys, representatives, agents, successors or assigns, shall be liable to the other for incidental, indirect, consequential, or punitive damages resulting from or arising out of this Agreement or the transactions contemplated hereby, loss of profits or business interruption, regardless of how such damages are caused, including, without limitation, the sole, joint, or concurrent negligence of either party, and each party hereby releases the other from such damages. The parties' rights and obligations in this Article 8 shall survive the termination of this Agreement.

Article 9 DEFAULT AND REMEDIES

9.1 Buyer's Remedies on Default. In the event of a default by Seller in the performance of its obligations hereunder, Buyer shall give written notice to Seller designating such default. Seller shall have a period of ten (10) days following receipt of said notice within which to correct the default of which Seller has received notice. If Seller fails to correct and cure such default within said ten (10) day period, Buyer shall have the right to terminate this Agreement or seek specific performance of the terms hereof, all in accordance with the terms hereof, as and for its exclusive remedies under the terms of this Agreement. If the Agreement is terminated pursuant to this Section 9.1, Buyer shall be entitled to the payment of the break-up fee in accordance with Section 10.2(c).

9.2 Seller's Remedies on Default. In the event of a default by Buyer in the performance of its obligations hereunder, Seller shall give written notice to Buyer designating such default. Buyer shall have a period of ten (10) days following receipt of said notice within which to correct the default of which Buyer has received notice. If Buyer fails to correct and cure such default within said ten (10) day period, Seller shall have the right, as its sole remedy hereunder, to terminate this Agreement, retain the Earnest Money, and all other rights, duties, and obligations of the parties hereunder, by giving written notice thereof to Buyer, and to receive as agreed upon liquidated damages, and not as a penalty, the Earnest Money and all other amounts Buyer has paid hereunder. Seller waives any and all other rights to seek damages from Buyer. Buyer agrees and acknowledges that, *inter alia*, the Seller has agreed to the delay in the marketing and selling of the Land and Assets because it has entered into this Agreement and has agreed to submit this Agreement to the Bankruptcy Court for approval. Buyer agrees that the Earnest Money is an appropriate compensation to Seller for the expense and delay incurred by Seller for delay in marketing and submission of the Agreement to the Bankruptcy Court for the time period contemplated by this Agreement. Buyer has had professional and expert assistance in making the determination of this liquidated

damages provision. If Buyer defaults in any of its obligations as provided herein, then Buyer waives any of its rights under Article 10.

Article 10

BREAK-UP FEE; OVERBID PROTECTION; AUCTION PROCEDURES

10.1 Seller's Reliance on Auction Procedures. Seller acknowledges that Buyer has entered into this Agreement in reliance on Seller's agreement to, and the Bankruptcy Court's approval of, the break-up fee, overbid protection provisions, and auction procedures set forth in this Article 10. Seller shall, within two business days after executing this Agreement, file an appropriate motion with the Bankruptcy Court seeking approval of this Agreement, approval of Buyer as the "stalking horse," and approval of the break-up fee, overbid protection and auction procedures. In no event shall the Auction contemplated herein take place prior to entry of a final, non-appealable order of the Bankruptcy Court approving the Agreement, the Buyer as the "stalking horse," and the break-up fee, overbid protection provisions, and auction procedures contained in this Article 10, in a form mutually approved by the parties ("Bid Procedures Order"). In the event the Bankruptcy Court does not enter the Bid Procedures Order within thirty (30) days after execution of this Agreement, or otherwise orders or allows an auction or further competitive bidding with regard to the Assets on terms other than those which are set forth in this Article 10, or the Bid Procedures Order is appealed, this Agreement may be terminated at Buyer's option.

10.2 Break-up Fee; Overbid Protection. Buyer and Seller agree that bidding shall be conducted in the following manner, and that Buyer shall be entitled to a break-up fee computed as set forth in this Section 10.2, and payable as provided in this Article 10:

(a) Bidding prior to the Auction shall be by sealed bids submitted to the Trustee, with a single bid by each bidder; the bidding shall open immediately following entry of the Bid Procedures Order; the Trustee shall provide to Buyer a copy of all bids within two (2) business days of the Trustee's receipt thereof, and bidding prior to the Auction shall close at 5:00 p.m. Mountain Time on October 31, 2005;

(b) In order for a bid to be a qualified bid entitled to consideration by Seller (any such bid a "Qualified Bid"), the bid (i) shall include evidence satisfactory to Seller of such bidder's financial wherewithal, experience, and ability to timely consummate a transaction in accordance with the requirements of the Agreement; (ii) in the case of all competing bids, in order to be considered a higher or better bid for the Assets, shall (A) provide for an initial purchase price for the Assets of at least 105% of the Purchase Price, payable in cash at Closing (the "Bidder Price"), together with assumption at Closing by the bidder of the Assumed Liabilities, (B) include a good faith deposit in the amount of \$3,000,000 as and for earnest money (the "Bidder Earnest Money Deposit"), in cash or in other form of immediately available funds, which shall in fact be

deposited with the Trustee at least five (5) business days prior to the date of the Auction; and (C) provide for payment to Buyer out of the Bidder Earnest Money Deposit the next business day following entry of the Approval Order of three percent of the Purchase Price under this Agreement (being the sum of \$1,335,000) as and for a termination or break-up fee (the "*Break-Up Fee*"). For avoidance of doubt, this Agreement shall be deemed to be a Qualified Bid for the Assets; and

(c) The Break-Up Fee shall be deemed a super-priority allowed administrative claim under sections 503(b)(1)(A) and 507(a)(1) of the Bankruptcy Code, senior to all other super-priority claims in the Bankruptcy Proceeding. The Break-Up Fee shall be due and payable (i) upon entry of an Approval Order approving another person as the buyer of the Assets, (ii) on the date of termination of this Agreement pursuant to Section 9.1, (iii) upon the withdrawal of the motion to authorize the sale to Buyer, or such other higher and better bidder, and (iv) if the Seller chooses not to sell the Property to Buyer or any competing buyer.

10.3 Auction Procedures. Seller agrees that the following auction procedures shall be applied in the event the Bankruptcy Court allows or orders further bidding or an auction:

(a) The entirety of the Assets shall be auctioned as a single separate and distinct bid lot at the Auction (as defined below) and any other bid lot at the Auction shall contain only assets which do not include any of the Assets. The Auction shall be a stand-alone auction, meaning that the successful qualified bidder shall be entitled to purchase the Assets notwithstanding that another bidder may attempt to offer more for Seller's entire plant or any other combination of lots which includes the bid lot for the Assets;

(b) The auction for the Assets (the "*Auction*") shall be on November 7, 2005, commencing at 10:00 a.m. Mountain Time and continuing from day to day until the Auction shall be closed, at the offices of Ray, Quinney & Nebeker, 36 South State Street, Suite 1400, Salt Lake City, Utah. Participants in the Auction shall be Buyer and such other bidders chosen by Seller as the maker of the higher better bid of other bids submitted which shall be Qualified Bids and Seller deems the higher feasible bids. All Qualified Bids must be submitted at least five (5) days prior to the Auction. Buyer shall be provided with a copy of any Qualified Bids within two (2) business days after receipt by Seller. Bids at the Auction shall be in increments of Two Hundred Fifty Thousand Dollars (\$250,000) greater than the last bid, and the Auction shall be closed at such time during the Auction as the then highest bid shall not have been outbid within such reasonable time as the Seller shall then prescribe following the making of such then highest bid;

(c) Seller shall, immediately upon conclusion of the Auction, obtain the Approval Order; and

(d) On the next business day following entry of the Approval Order, if Buyer shall not be the winning bidder, then the Break-Up Fee shall be paid to Buyer out of the winning bidder's Bidder Earnest Money Deposit, and the Earnest Money shall be refunded to Buyer.

(e) Back Up or Secondary contract. Buyer understands and agrees that Seller may take a back-up or secondary contract with any third party for the sale of any portion of the Land and Assets, on terms that may be agreed to between Seller and that third party; provided however, any back-up or secondary contract shall be expressly made subject to the failure of this Agreement to close by the Closing Date, and shall provide that it is of no force or effect if this Agreement shall close by the Closing Date. Buyer understands and agrees that this Agreement will be considered a binding back-up or secondary contract upon entry of an Approval Order approving another person as the buyer of the Assets; provided that this Agreement shall only remain valid for sixty (60) days after entry of an Approval Order approving another buyer for the Assets.

Article 11

MISCELLANEOUS

11.1 Assignment. Buyer shall have no right to assign its rights and obligations under this Agreement prior to Closing without Seller's prior written consent, which consent may be withheld in Seller's sole discretion. Any assignment by Buyer of its rights and obligations under this Agreement without the prior written consent of Seller shall be void and shall constitute a material default by Buyer hereunder.

11.2 Entire Agreement/Modification. This Agreement (together with the Schedules and Exhibits hereto, which Schedules and Exhibits are hereby incorporated herein by reference) sets forth the entire understanding of the parties with respect to the purchase and sale of the Assets. This Agreement supersedes any and all prior negotiations, discussions, agreements and understandings between the parties. This Agreement may not be modified or amended, except by a written agreement executed by both parties.

11.3 Counterparts/Facsimile Signatures. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Facsimile signatures shall be as valid as original signatures.

11.4 Binding Effect. All of the covenants, terms, provisions and conditions in this Agreement shall be binding upon and inure to the benefit of the successors of the parties.

11.5 Attorneys' Fees. If either party is in default under this Agreement relating to the interpretation, enforcement, or performance of this Agreement and any legal proceeding is commenced to enforce the rights of the nondefaulting party, the prevailing party in that dispute shall be entitled to collect from the unsuccessful party in addition to any other remedy, all fees and expenses incurred in connection with the proceeding, including but not limited to fees of attorneys, accountants, appraisers, environmental inspectors, consultants, expert witnesses, water consultants, arbitrators, mediators, and court reporters.

11.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah. Any legal suit, action or proceeding against Seller or Buyer arising out of or relating to this Agreement shall be instituted in the federal or any state court in Salt Lake County, Utah, subject to the jurisdiction of the Bankruptcy Court in the Bankruptcy Proceeding, and Seller and Buyer each waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, and Seller and Buyer each hereby irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding.

11.7 No Waiver. No election or waiver of any right or remedy by either party on any occasion shall constitute an election or waiver of the same or any other right or remedy on any other occasion.

11.8 Confidentiality. Seller and Buyer each agree to maintain in confidence any information, whether written (including information that is stored on machine readable media) or oral, regarding the Assets and the business operations and assets of either party hereto, that previously has not been publicly released by a duly authorized representative of the party hereto to whom such information pertains, including but not limited to proprietary information, plans and specifications, engineering reports, permits, licenses, and contracts affecting the Assets or Buyer's plans for development thereof, or any information relating to the environmental condition of the Land or any market analyses or other studies for Buyer's plans for development thereof, and the negotiation of and/or the terms and conditions of this Agreement (collectively, the "Confidential Information"), except that either party shall have the right to disclose the Confidential Information, or such portions thereof: (a) as may be compelled by deposition, interrogatory, subpoena, civil investigative demand or similar legal process; (b) to the Bankruptcy Court in connection with obtaining Bankruptcy Court approval; and (c) to consultants, advisors, potential and actual lenders and/or investors, and government officials and/or employees in connection with the transaction contemplated by this Agreement or the evaluation, planning, permitting, financing and other necessary development activities. The foregoing prohibition shall not apply to information which: (w) is already known by the receiving party at the time such information is received by such party; (x) is already available to the public without the breach of any duty of confidentiality or nondisclosure; (y) is independently developed by the receiving party without use of any other confidential information; or

(z) is lawfully obtained by the receiving party from any third party not under any confidentiality obligation with respect to such information.

11.9 Relationship of Parties. The relationship of the parties hereto is solely that of Seller and Buyer with respect to the Assets and no joint venture or other partnership exists between the parties hereto. Neither party has any fiduciary relationship hereunder to the other.

11.10 No Third-Party Beneficiary. The provisions of this Agreement and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Buyer only and are not for the benefit of any third party, and accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.

11.11 Severability. If any provision of this Agreement or of any document contemplated hereby shall be invalid, such invalid provision shall be severable, and such invalidity shall not impair the validity of any other provision of this Agreement or of any document contemplated hereby.

11.12 Notices. All notices, demands, and requests which may be or are required to be given by either party to the other shall be in writing and shall be personally served on the designated party, delivered by express courier, sent by delivered telegram or facsimile transmission (if sent by facsimile transmission a duplicate copy shall be sent by first class mail), United States certified or registered mail, postage prepaid, addressed to the parties as follows unless a party hereto designates otherwise in writing:

If to Seller:

James T. Markus, Trustee
Geneva Steel LLC
c/o Block Markus & Williams LLC
1700 Lincoln, Suite 4000
Denver, Colorado 80203
Telephone: (303) 830-0800
Facsimile: (303) 830-0809

With a copy to:

Ray Quinney & Nebeker
Attention: Annette W. Jarvis
36 South State Street, Suite 1400
Salt Lake City, Utah 84070
Telephone: (801) 532-1500
Facsimile: (801) 532-7543

If to Buyer:

Utah Lake Development LLC
c/o Utah Lake Manager LLC
West Glen Corporate Centre
1855 Emdale Avenue
Glenview, Illinois 60026
Facsimile: (847) 998-9994

With a copy to:

Greenberg Traurig, LLP
Attention: Nancy Peterman
77 West Wacker Drive, Suite 2400
Chicago, Illinois 60601
Facsimile: (312) 456-8435

Any notice given in the form set forth herein shall be deemed given and received as follows: if delivered, when delivered; if sent by delivered telegram, telex or facsimile transmission on the next business day following the sending thereof; and if sent by mail on the fifth business day following the mailing thereof.

11.13 Time of Essence. Time is of the essence of this Agreement, provided, however, that notwithstanding anything to the contrary in this Agreement, if the time period for the performance of any covenant or obligation, satisfaction of any condition or delivery of any notice or item required under this Agreement shall expire on a day other than a business day, such time period shall be extended automatically to the next business day.

11.14 Further Assurances. Seller and Buyer shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable which such party is obligated to take under this Agreement; (i) prior to Closing, to consummate the transactions contemplated in this Agreement, including, without limitation, (A) obtaining all necessary consents, approvals and authorizations required to be obtained from any Governmental Authority or other Person under this Agreement or Applicable Law, and (B) effecting all registrations and filings required under this Agreement or Applicable Law, and (ii) after the Closing, to further effect the transaction contemplated in this Agreement.

11.15 Survival. The provisions of Sections 4.6, 5, 8, 11.11, 11.12, 11.14, 11.15, 11.16, 11.17 and 11.18 shall survive the Closing and delivery of all Closing documents. Further, all reservations of rights of Seller under Sections 1.1, 2.2, shall survive the closing.

11.16 Bankruptcy Court Approval. Within two business days after the execution of this Agreement, the Seller shall file with the Bankruptcy Court a motion to seek entry of the Bid Procedures Order in accordance with Section 10.1 herein and shall

provide notice of the motion in accordance with the Rules of Bankruptcy Procedure and the Local Rules of Procedure for the U.S. Bankruptcy Court for the District of Utah. This Agreement is contingent on the approval of the Bankruptcy Court. If this Agreement is not approved by the Bankruptcy Court, then all things of value shall be returned to Buyer and Buyer and Seller agree that each party shall release the other party from any further obligations hereunder.

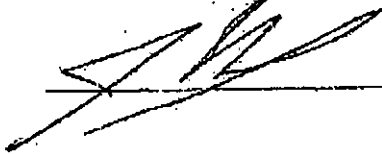
11.17 *Employer.* Buyer may offer employment to one or more of Seller's employees, such employment to commence subsequent to Closing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

[SIGNATURES ON FOLLOWING PAGE]

SELLER:

JAMES T. MARKUS, Chapter 11 Trustee,
GENEVA STEEL LLC, Seller


_____ 6/24/05

BUYER:

Utah Lake Development LLC
By: Utah Lake Manager LLC
Its: Manager

By _____
Its:

SELLER:

JAMES T. MARKUS, Chapter 11 Trustee,
GENEVA STEEL LLC, Seller

BUYER:

Utah Lake Development LLC
By: Utah Lake Manager LLC
Its: Manager


By

Its: MANAGER MEKKER

LIST OF SCHEDULES

Schedule 1.1(a)	Real Property Interests
Schedule 1.1(b)	Trade Names and Trademarks
Schedule 1.1(c) (1)	Contracts
Schedule 1.1(c) (2)	Leases
Schedule 1.1(d)	Permits
Schedule 1.1(e)	ERCs
Schedule 1.1(f)	Records
Schedule 1.2	Assets Retained By Seller
Schedule 1.4	Liabilities to Be Assumed By Buyer
Schedule 1.5	Liabilities to Be Retained By Seller
Schedule 2.4	Form of Survey Certification
Schedule 2.5	Rejection of Certain Contracts and Leases
Schedule 2.6	Permitted Encumbrances
Schedule 4.2(a)	Forms of Conveyancing Documents

Schedule 1.1(a).

Real Property Interests

The Land is legally described as follows:

SURVEYED TRACT A

That portion of Section 6, 7, 8 & 18, Township 6 South, Range 2 East, Salt Lake Meridian, Utah County, Utah, more particularly described as follows:

Beginning at the Southwest corner of said Section 8; thence North 89°25'01" East 2643.06 feet along section line to the westerly right of way line of the Denver and Rio Grande Railroad; thence North 30°04'07" West 3961.57 feet along said railroad right of way to a curve to the right having a radius of 12555.74 feet, a central angle of 02°48'15" and a chord that bears North 28°39'59" West 614.47 feet; thence along said curve and said railroad right of way, a distance of 614.53 feet; thence North 27°15'52" West 4486.96 feet along said railroad right of way to a point on the North line of the South one-half of said Section 6; thence South 89°37'51" West 790.95 feet along quarter section line to the UTAH LAKE MEANDER LINE described in Entry No. 94662:2001 of the county records; thence along the UTAH LAKE MEANDER LINE through the following 7 calls, to-wit: South 04°54'22" East 970.93 feet; South 11°31'05" West 1761.44 feet; South 08°31'48" West 351.11 feet; South 08°52'57" East 1042.47 feet; South 04°32'46" West 1491.41 feet; South 07°23'30" East 1181.71 feet; South 05°24'11" East 733.27 feet to the east line of a County Road, Deed No. 5; thence South 29°19'00" East 37.25 feet along said County Road; thence South 09°06'00" East 600.59 feet along said County Road to the North line of said County Road; thence South 89°59'38" East 2079.00 feet along said County Road; thence North 68°49'00" East 372.96 feet to a point on the Section line between said Sections 7 and 8; thence South 00°09'34" East 27.74 feet along section line to the POINT OF BEGINNING.

SURVEYED TRACT B

That portion of Section 5, 6, 7, 8 & 17, Township 6 South, Range 2 East, Salt Lake Meridian, Utah County, Utah, more particularly described as follows:

Commencing at the East quarter corner of said Section 5; thence South 89°39'23" West 939.43 feet; [REC S 89°32'30" E 938.64 FEET] along quarter section line to a point on the west right of way line of the Union Pacific Railroad the POINT OF BEGINNING; thence North 07°47'29" West 1066.73 feet along said railroad right of way; thence South 82°12'31" West 50.00 feet; thence North 07°47'29" West 85.00 feet; thence North 57°33'44" West 346.15 feet; thence South 89°29'57" West 1251.00 feet to the Southwest corner of the Northwest quarter of the Northeast quarter of said Section 5; thence South 89°29'57" West 650.00 feet; thence North 436.52 feet; thence South 89°52'18" West 1683.83 feet; thence North 89°47'50" West 307.55 feet to a point on the section line between said Sections 5 and 6; thence South 00°44'53" East 310.62 feet along section line; thence South 89°15'09" West 66.00 feet to the centerline of an existing drainage canal; thence along said drainage canal through the following 12

calls, to-wit: North 29°47'33" West 49.52 feet; North 18°56'23" West 78.88 feet; North 10°22'16" West 65.06 feet to a curve to the left having a radius of 9.66 feet, a central angle of 79°23'15" and a chord that bears North 50°03'53" West 12.34 feet; along said curve, a distance of 13.38 feet; North 89°45'30" West 130.07 feet; North 63°27'48" West 136.12 feet; North 55°49'59" West 154.97 feet; North 85°44'08" West 160.51 feet; North 86°48'30" West 285.85 feet; North 78°38'52" West 218.84 feet; North 57°56'01" West 111.92 feet; North 14°20'07" West 65.48 feet; thence North 89°51'28" West 1066.60 feet to a point on the Easterly line of the Denver and Rio Grande Railroad and a point on a non-tangent curve to the right having a radius of 8241.81 feet and a chord that bears South 28°22'50" East 761.61 feet; thence along said railroad right of way and curve, a distance of 761.88 feet to a point on the right of way of a rail spur and on a non-tangent curve to the left having a radius of 938.84 feet and a chord that bears South 66°21'52" East 764.96 feet; thence along said curve, a distance of 787.88 feet; thence North 23.50 feet; thence North 89°34'54" East 1265.26 feet to a point on a non-tangent curve to the right having a radius of 985.03 feet and a chord that bears South 86°18'06" East 141.41 feet; thence along said curve, a distance of 141.53 feet to a compound curve to the right having a radius of 984.82 feet, a central angle of 08°14'02" and a chord that bears South 78°04'07" East 141.41 feet; thence along said curve, a distance of 141.53 feet; thence South 75°57'06" East 327.88 feet to a curve to the left having a radius of 904.89 feet, a central angle of 16°27'00" and a chord that bears South 82°10'36" East 258.91 feet; thence along said curve, a distance of 259.80 feet; thence South 00°34'09" East 80.00 feet to a point on a non-tangent curve to the right having a radius of 984.88 feet and a chord that bears North 86°17'59" West 141.38 feet; thence along said curve, a distance of 141.51 feet; thence continue westerly along said curve through a central angle of 08°13'56", a distance of 141.51 feet; thence North 73°57'06" West 327.88 feet to a point on a non-tangent curve to the left having a radius of 904.11 feet and a chord that bears North 78°04'08" West 129.88 feet; thence along said curve, a distance of 129.99 feet to a compound curve to the left having a radius of 904.91 feet, a central angle of 08°13'50" and a chord that bears North 86°18'11" West 129.88 feet; thence along said curve, a distance of 129.99 feet; thence South 89°34'54" West 1265.28 feet; thence North 00°25'06" West 23.50 feet to a point on a non-tangent curve to the right having a radius of 971.86 feet and a chord that bears North 69°19'24" West 699.57 feet; thence along said curve, a distance of 715.63 feet to a point on the Easterly line of the Denver and Rio Grande Railroad right of way; thence along said railroad right of way through the following 3 calls, to-wit: South 27°15'52" East 5261.68 feet to a curve to the left having a radius of 12455.74 feet, a central angle of 02°48'15" and a chord that bears South 28°40'00" East 609.64 feet; along said curve, a distance of 609.64 feet; South 30°04'07" East 9286.89 feet to a point on the West right of way line of State Highway No. 114; thence North 00°25'44" West 2367.79 feet along said highway right of way to a fence corner; thence along an existing fence line through the following 11 calls, to-wit: South 89°35'13" West 260.92 feet; North 07°49'36" East 106.21 feet; North 15°42'50" East 74.21 feet; North 04°18'29" East 43.84 feet; North 63°02'16" West 18.38 feet; North 03°37'44" East 362.19 feet; North 84°54'53" East 18.38 feet; North 02°55'15" West 39.03 feet; North 89°51'49" East 65.96 feet; North 89°31'52" East 106.34 feet; North 88°41'52" East 30.76 feet to a point on said highway right of way; thence North 00°25'44" West 1586.43 feet along said highway right of way to section line; thence North 89°26'03" East 67.90 feet along section line to the Southeast corner of said Section 8; thence North 89°26'03" East 36.39 feet to the west

right of way line of the Union Pacific Railroad; thence North 07°47'29" West 4820.78 feet along said railroad right of way; thence South 82°50'21" West 149.03 feet along a fence extended; thence North 07°57'36" West 35.24 feet along the east side and east side extended of an existing substation building; thence South 82°13'39" West 108.33 feet along the south side of a garage; thence North 11°59'48" West 25.69 feet to a fence; thence along said fence through the following 12 calls, to-wit: North 14°56'37" West 283.94 feet; South 83°36'20" West 29.09 feet; North 20°34'54" West 280.71 feet; North 14°56'19" West 1448.27 feet; North 08°15'56" West 136.96 feet; North 07°27'14" West 69.61 feet; North 82°14'36" East 53.65 feet; North 03°18'48" West 106.60 feet; North 10°55'05" East 92.03 feet; North 25°14'35" East 120.70 feet; North 40°54'42" East 177.48 feet; North 86°07'55" East 126.24 feet; thence North 07°47'29" West 422.23 feet to the POINT OF BEGINNING.

EASEMENT PARCEL:

A perpetual easement, over a portion of the following described property, for pedestrian and vehicular access, for the purpose of sampling, operating, inspecting, servicing, maintaining, repairing, removing, replacing and altering Geneva's Monitoring Facilities, as more particularly set forth in that certain Easement For Monitoring Wells recorded March 8, 2005 as Entry No. 24138:2005 of Official Records:

Lots 3 and 4, Plat "A", Lake Side Power Plant Subdivision, according to the official plat thereof on file and of record in the office of the Utah County Recorder as Entry No. 106983:2004 and Map Filing No. 10687.

Lots 1 and 2, Plat "B", Lake Side Power Plant Subdivision, according to the official plat thereof on file and of record in the office of the Utah County Recorder as Entry No. 7453:2005 and Map Filing No. 10899.

17-019-0004

17-021-0005

17-023-0010

Schedule 1.1(b)

Trade Names and Trademarks

Any common law and other rights, if any, to the name Geneva Steel and the trademarks of Geneva except for domain name Geneva.com.

Schedule 1.1(c)(1)

Contracts¹

1. Amended and Restated Asset Sales Agreement dated as of June 26, 1987 as Amended and Restated August 31, 1987 by and between USX Corporation and Basic Manufacturing and Technologies of Utah, Inc. and Amendment to Asset Sales Agreement and Agreement on Environmental Obligations made as of May 4, 2004 by and between Geneva Steel LLC and United States Steel Corporation

2. Demolition and Salvaged Materials Sale Agreement between Geneva Steel, LLC and Universal Scrap Metals, Inc., dated as of March 16, 2004, as amended March 31, 2004, April 2, 2004, April 5, 2004, April 23, 2004, and May 28, 2004 and assumed and modified by CST Environmental, Inc. ("CST") by Letter Agreement dated August 11, 2004 by and between Geneva Steel, LLC and CST, Second Letter Agreement dated August 24, 2004 by and between Geneva Steel, LLC and CST, Third Letter Agreement dated September 21, 2004 by and between Geneva Steel, LLC and CST. Any payments owing by CST to Geneva Steel, LLC under this contract are not included in the sale and are reserved and retained by the Seller except that Buyer shall be entitled to monetary payments under the Contracts to the extent such monetary payments arise from or are based on penalties, damages or indemnification rights which arise from the contracting party's failure to timely act subsequent to Closing under the Contract or actions subsequent to Closing by such party which cause damages to the Property or persons or property located thereon

3. Q-BOP Sale Agreement dated April 13, 2005 between Geneva Steel, LLC and CST Environmental, Inc. ("CST"). Any payments made by or owed by CST to Geneva Steel, LLC under this Agreement are not included in the sale and are reserved and retained by the Seller, including but not limited to the amounts payable pursuant to the Promissory note dated May 31, 2005 in the original principal amount of \$1,975,000, and except that Buyer shall be entitled to monetary payments under the Contract to the extent such monetary payments arise from or are based on penalties, damages or indemnification rights which arise from the contracting party's failure to timely act subsequent to Closing under the Contract or actions subsequent to Closing by such party which cause damages to the Property or persons or property located thereon

4. Revised Purchase and Sale Agreement dated January 26, 2005 by and between Geneva Steel, LLC and Central Utah Water Conservancy District ("CUWCD"), however excluding all payments made by CUWCD to Seller pursuant thereto except that Buyer shall be entitled to monetary payments under the Contract to the extent such monetary payments arise from or are based on penalties, damages or indemnification rights which arise from the contracting party's failure to timely act subsequent to Closing under the Contract or actions subsequent to Closing by such party which cause damages to the Property or persons or property located thereon

¹ Contracts are subject to further modifications, additions or removal by Utah Lake

5. Asset Sale Agreement between Seller and Qingdao Iron & Steel Group Co., Ltd., dated December 17, 2003 as amended by letter agreement dated January 10, 2005, as amended by the Access and Sale Use Agreement between Seller and Qingdao as approved by order of the Bankruptcy Court February 4, 2004, and the Second Amendment to Asset Sale Agreement dated February 4, 2004 (Bankruptcy Court docket entries 706, 747, 781, 1424, and 1493) and hereafter collectively called (the "*Qingdao Agreement*"). Pursuant to the Letter Agreement dated January 10, 2005, Qingdao has returned to Seller a certain QBOP machine. Buyer acknowledges and agrees that the QBOP is not an asset purchased by Buyer pursuant to this Agreement, but is instead subject to another Sale Contract between Seller and CST Environmental, Inc. (hereafter "*QBOP Agreement*") and that any payments pursuant to the CST QBOP Agreement are not included on contract rights assigned to Buyer hereunder except that Buyer shall be entitled to monetary payments under the Contract to the extent such monetary payments arise from or are based on penalties, damages or indemnification rights which arise from the contracting party's failure to timely act subsequent to Closing under the Contract or actions subsequent to Closing by such party which cause damages to the Property or persons or property located thereon.

6. All rights under the Summit Vineyard Conditional Purchase and Sale Agreement attached to Order Authorizing Sale dated July 28, 2004 in Case No. 02-21455 (GEC), the United States Bankruptcy Court, for the District of Utah, Central Division, excluding, however, all payments received by Seller pursuant to that agreement except that Buyer shall be entitled to monetary payments under the Contract to the extent such monetary payments arise from or are based on penalties, damages or indemnification rights which arise from the contracting party's failure to timely act subsequent to Closing under the Contract or actions subsequent to Closing by such party which cause damages to the Property or persons or property located thereon

7. Agreement dated July 17, 1991 between Geneva Steel and Harsco Corporation, acting by and through its Heckett Division, and amendments thereto including, but not limited to, those amendments contained in the Settlement Agreement between Geneva Steel, LLC and Heckett Multiserv, a division of Harsco Corporation dated March 26, 2003 (as set forth at Docket No. 443).

8. Wastewater Treatment and Discharge Agreement dated as of March 14, 2002 by and between Seller and United States Steel Corporation

Schedule I.1(e)(2)
Leases.¹

1. Special Use Lease Agreement No. 897 dated January 13, 1992 between the State of Utah, acting by and through the Division of State Lands and Forestry, Lessor and Geneva Steel, Lessee.
2. Lease Agreement dated June 10, 1997 between Geneva Steel Company and Air Liquide America Corporation (this lease has expired by its own terms and Buyer is assuming the post expiration terms of this lease).
3. Lease Agreement dated June 8, 1995 between Geneva Steel Company and Air Liquide America Corporation. Buyer is only assuming those rights of Seller which survive the termination or expiration of this lease. The term of this lease terminates when the Industrial Gases Supply Agreement between Air Liquide America Corporation and Seller terminates and because Seller is rejecting that Agreement, this lease will terminate as of the same date.
4. Lease dated April 10, 1998 between Geneva Steel Company and Pioneer Steel and Tube Corp., a Delaware corporation (this lease has expired by its own terms and Buyer is assuming the post expiration terms of this lease).
5. Lease Agreement dated September 26, 2000 between Geneva Steel Company and Western Pipe Coaters & Engineers, Inc., a Utah corporation.
6. Lease dated April 19, 1972 between United States Steel Corporation and Utah Power and Light Company (n/k/a PacifiCorp).
7. Lease dated July 12, 1990 and amended by letter agreement dated August 22, 1990 between Geneva Steel, formerly Basic Manufacturing and Technologies of Utah, Inc., as Landlord, and Union Carbide Industrial Gases, Inc., Linde Division (n/k/a Praxair, Inc.), Tenant.
8. Lease Agreement dated January 27, 1998 between Geneva Steel Company and Bredero Price Company (n/k/a ShawCor Pipe Protection, LLC) and amendments thereto (this lease has expired by its own terms and Buyer is assuming the post expiration terms of this lease).

¹ Leases are subject to further modifications, additions, or removal by Utah Lake.

Schedule L.1(d)

Permits

UPDES Permit UT0000361 issued to Geneva Steel by the State of Utah Division of Water Quality, Department of Environmental Quality, Salt Lake City, Utah on August 2, 2000.

RCRA Permit - including the Utah Hazardous Waste Post-Closure Permit for Post-Closure Care of Three Closed Hazardous waste Surface Impoundments and Facility-Wide Corrective Action issued to United States Steel Corporation, (USS) and Geneva Steel LLC EPA Identification Number: UT009086133 Issued May 14, 2004.

Class IIIb Industrial Landfill Permit # UT0005 as applied for by Geneva Steel from the Utah Division of Solid Waste (Pending).

Schedule L.(e)

ERCs

The following ERCs in Utah County, Utah, banked with the Utah Division of Air Quality (the "DAQ") under UAC R307-403-8, as identified opposite Geneva's name on the copy of the Registry of Emission Offset Credits for Utah County maintained by the DAQ.

<u>Emission Type</u>	<u>Tons/Year</u>
PM10	125 Tons
SO2	125 Tons
NOx	250 Tons
VOC	125 Tons

Schedule I.1(f)

Records

All Records referred to in Section I.1(f) of the Asset Purchase Agreement

Schedule 1.2

Assets Retained By Seller

The assets to be retained by Seller, include all assets of the Seller not listed in the Assets and not listed in Schedule 1.1(a) Real Property Interests, Schedule 1.1(b) Trade Names and Trademarks, Schedule 1.1(c)(1) Contracts, Schedule 1.1(c)(2) Leases, Schedule 1.1(d) Permits, Schedule 1.1(e) ERCs, Schedule 1.1(f) Records, including but not limited to the following:

(a) all documents or data reasonably necessary for Seller to meet its legal obligations or prove compliance therewith;

(b) any cash, cash equivalents, petty cash; deposit accounts, checks received by Seller upon which collection has not been made, accounts, notes and contracts receivable, and long and short-term securities owned by Seller as of the Closing Date;

(c) the rights that accrue to Seller under this Agreement;

(d) claims, rights and interests in and to any refunds for state or local franchise, income or other taxes or fees of any nature whatsoever relating to taxes and fees, and claims against any person or entity, for the period prior to Closing;

(e) claims, rights and interests related in any way to any real or personal property not included in the Assets, including but not limited to all payments, accounts, promissory notes, security interests in and to the CST Agreement and the Qingdao Agreement; except that Buyer shall be entitled to monetary payments under the CST Agreement and the Qingdao Agreement to the extent such monetary payments arise from or are based on penalties, damages or indemnification rights which arise from the contracting party's failure to timely act subsequent to Closing under those Agreements or actions subsequent to Closing by such party which cause damages to the Property or persons or property located thereon.

(f) insurance policies issued to Seller and proceeds thereof; and

(g) all other tangible and intangible assets or portions thereof related to Seller not expressly listed in Section 1.1 or otherwise identified in this Agreement (other than rights which Buyer may have as the owner of the Assets against third parties who have caused or allowed hazardous materials to be present or released on, beneath, within, or migrating to the Assets, which rights shall be deemed part of the Assets conveyed to Buyer).

(h) all ERCs not transferred under the Agreement;

(i) all general intangibles;

(j) all contract rights, accounts, and other rights to payment or performance except for those rights being assigned by Seller to Buyer as listed on Schedule 1.1(c)1 and 1.1(c)2 hereto;

(k) all claims and causes of action for avoidance, including all actions under Sections 510, 544, 547, 548, and 549 of the Bankruptcy Code, including all claims for fraudulent conveyance or voidable preferences;

(l) all claims against Directors, Officers, Employees, Agents and Attorneys of Geneva Steel, LLC Geneva Holdings, Inc., Iron Ore Mines, LLC, Williams Farm, LLC, Vineyard Iron Company, LLC, Vineyard Management Company, LLC, CPICOR Management Co., and any related or affiliated companies and any claims under Directors and Officers insurance policies of the foregoing entities;

(m) all claims against any of the insiders of Geneva Steel, LLC Geneva Holdings, Inc., Iron Ore Mines, LLC, Williams Farm, LLC, Vineyard Iron Company, LLC, Vineyard Management Company, LLC, CPICOR Management Co., and any related or affiliated companies. For purposes of this paragraph insiders includes any parties as defined as insiders under Section 101 of the Bankruptcy Code;

(n) Seller's business, financial, accounting and operational records, files and drawings, except those items identified in Section 1.1(g) and/or Schedule 1.1(g);

(o) all claims for breach of duty against Officer and Directors, Employees, Agents and Attorneys of Geneva Steel, LLC Geneva Holdings, Inc., Iron Ore Mines, LLC, Williams Farm, LLC, Vineyard Iron Company, LLC, Vineyard Management Company, LLC, CPICOR Management Co., and any related or affiliated companies, including breach of fiduciary duty, breach of the duty of care, breach of the duty of good faith, and breach of the duty of loyalty.

Schedule 1.4

Liabilities To Be Assumed By Buyer

(a) Post-Closing Contractual Obligations. Any obligation under the Contracts listed on Schedule 1.1(c)(1) and the Leases listed on Schedule 1.1(c)(2), relating to the period on or after the Closing, but expressly excluding any Environmental Liabilities.

(b) Environmental Liabilities. All Environmental Liabilities (as defined below) of Geneva (i) requiring cleanup, remediation or corrective action under Environmental Law (as defined below), (ii) under any agreements with United States Steel Corporation listed on Schedule 1.1(c)(1), or (iii) which arise or accrue on or after the Closing and are attributable to operations and activities of Buyer occurring on or after the Closing.

(c) Permit Obligations. All post-closing obligations of Geneva arising from or relating to the Permits, including, but not limited to Hazardous Materials existing on, beneath, within or above the Land or which migrated from the Land to other land (but not migration or releases of Hazardous Materials to or the presence of Hazardous Materials on, beneath or within offsite naturally occurring bodies of surface water).

(d) Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Environmental Law" means all applicable statutes, treaties, regulations, rules, ordinances, codes, licenses, permits, orders, decrees, judgments, approvals, authorizations and similar items of all governmental entities having jurisdiction and all applicable judicial and administrative and regulatory decrees, judgments and orders and all covenants running with the Real Property that relate to the protection of health or the environment, including without limitation those that relate to the existence, handling, manufacture, treatment, storage, disposal, migration, use, generation, release, threatened release, emission, discharge, refining or recycling of Hazardous Materials or whether now existing or hereafter enacted. Without limiting the foregoing, Environmental Law includes the Hazardous Materials Transportation Act (49 U.S.C. §§1801 et seq.); the Resource Conservation and Recovery Act of 1976, (42 U.S.C. §§ 6901 et seq.); the Clean Air Act (42 U.S.C. §§ 7401 et seq.); the Federal Water Pollution Control Act (33 U.S.C. § 1251); the Safe Drinking Water Act (42 U.S.C. §§ 300f et seq.); the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.); the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.); the Emergency Planning and Community Right to Know Act (42 U.S.C. §§ 11001, et seq.); the Occupational Safety and Health Act (26 U.S.C. §§ 651 et seq.); the Oil Pollution Act of 1990 (33 U.S.C. §§ 2701 et seq.); the Pollution Prevention Act of 1990 (42 U.S.C. §§ 13101 et seq.); the Atomic Energy Act of 1954, 68 Stat. 919; the Energy Reorganization Act of 1974; the Mine Safety and Health Act of 1977; Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136, et seq. and the Utah Environmental Quality Code (Utah Code Ann. §§ 19-1-101 et seq.) and all similar or additional federal, state or local statutes, ordinances and codes, all as amended, and all regulations promulgated thereunder, in each case as of the date of this Agreement.

"Environmental Liabilities" means any and all claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, assessments, costs or expenses (including,

without limitation, attorneys' fees and costs, experts' fees and costs, and consultants' fees and costs) of any kind or of any nature whatsoever concerning the environmental condition of the Real Property (including, without limitation, liability for studies, testing or investigatory costs, public or private oversight, operation, maintenance or monitoring costs, cleanup costs, response costs, removal costs, remediation costs, containment costs, restoration costs, corrective action costs, closure costs, reclamation costs, natural resource damages, assessment or restoration costs, property damages, business losses, personal injuries, penalties or fines) based on: (i) the presence, release or threatened release of any Hazardous Materials existing on, beneath, within or above the Real Property, or (ii) migration of Hazardous Materials from the Real Property to other land (but not migration or releases of Hazardous Materials to or the presence of Hazardous Materials on, beneath or within offshore naturally occurring bodies of surface water).

"Hazardous Materials" means any product, byproduct, compound, substance, chemical, material or waste, including, without limitation, asbestos, solvents, degreasers, heavy metals, refrigerants, nitrates, urea formaldehyde, polychlorinated biphenyls, dioxins, petroleum and petroleum products, fuel additives, volatile organic compounds, and any other material, whose presence, characteristics, nature, quantity, intensity, existence, use, manufacture, possession, handling, disposal, transportation, spill, release, threatened release, treatment, storage, production, discharge, emission, remediation, cleanup, abatement, removal, migration, or effect, either by itself or in combination with other materials is: (a) injurious to human or animal health, safety or welfare or the environment; (b) regulated, prohibited, controlled or monitored in any manner by any governmental authority; or (c) a basis for liability to any governmental agency or third party under any regulatory, statutory or common law theory.

(e) Notwithstanding anything herein or in the Asset Purchase Agreement, Buyer expressly reserves the right to contest any environmental claim or Environmental Liabilities asserted against it post-closing by asserting any defense, including, without limitation, that such environmental claims or Environmental Liabilities were barred, discharged, released, retained, extinguished or otherwise satisfied in connection with any one or more of the Chapter 11 cases filed by Geneva Steel.

Schedule 1.5

Liabilities To Be Retained By Seller

1. Breaches of Contracts. Any liability for breaches by Seller under any instrument, purchase order or contract, including without limitation the Contracts, or any liability for payments or amounts due on or prior to the Closing under any instrument, purchase order or contract, including without limitation the Contracts;

2. Taxes. Any liability or obligation for Taxes attributable to or imposed upon Seller, or attributable to or imposed upon the Assets for any period (or portion thereof) through the Closing Date;

3. Liabilities. Any liability or obligation of, for, or in respect of (i) Seller, including without limitation, Environmental Liabilities, if any, except as otherwise provided by Schedule 1.4 of this Agreement, and (ii) migration or releases of Hazardous Materials to or the presence of Hazardous Materials on, beneath or within offsite naturally occurring bodies of surface water;

4. Legal Proceedings. Any liability or obligation arising as a result of any legal or equitable action or judicial or administrative proceeding initiated at any time, to the extent relating to any act or omission by or on behalf of Seller, including, without limitation, any liability for violations of any federal or state securities laws, Environmental Law or other laws;

5. Benefit Plans. Any liability or obligation of the Seller attributable to any employee benefit and compensation plan or any other employee benefit or agreement;

6. Employees. Any liability or obligation for making payments of any kind (including as a result of this sale of Assets or as a result of the termination of employment of or by employees of Seller, or other claims arising out of the terms and conditions of employment with Seller, or for vacation, bonus or severance pay or otherwise) to employees of Seller or in respect of payroll taxes for employees of Seller;

7. Damages. Any liabilities of Seller for injury to or death of persons or damage to or destruction of property (including, without limitation, any workers' compensation) regardless of when said claim or liability is asserted, including, without limitation, any claim for consequential damages in connection with the foregoing; and

8. Other Obligations. Any other obligation of Seller not expressly assumed by Buyer under Section 1.4 or the terms of this Agreement.

Schedule 2.4

Form Of Survey Certification

TO: Geneva Steel, LLC, Utah Lake Development, LLC, and First American Title Insurance Co:

This is to certify that this map or plat and the survey on which it is based were made in accordance with "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys," jointly established and adopted by ALTA, ACSM and NSPS in 1999, and includes Items 1, 2, 3, 4, 6, 10, 13 and 16 of Table A thereof. At the request of Geneva Steel, LLC, the location of all buildings upon the plot or parcel are not shown nor are their locations defined by measurements perpendicular to the boundaries. Pursuant to the Accuracy Standards as adopted by ALTA, NSPS, and ACSM as in effect on the date of this certification, undersigned further certifies that [Surveyor to complete certificate with the appropriate ONE of the following three phases]

- the Positional Uncertainties resulting from the survey measurements made on the survey do not exceed the allowable Positional Tolerance.
- the survey measurements were made in accordance with the "Minimum Angle, Distance and Closure Requirements for Survey Measurements Which Control Land Boundaries for ALTA/ACSM Land Title Surveys."
- proper field procedures, instrumentation and adequate survey personnel were employed in order to achieve results comparable to those outlined in the "Minimum Angle, Distance and Closure Requirements for Survey Measurements Which Control Land Boundaries for ALTA/ACSM Land Title Surveys."

Date: _____

SUNRISE ENGINEERING

By: _____

Name: _____

Title: _____

Registration No.: _____

Schedule 2.5

Rejection of Certain Contracts and Leases¹

1. Industrial Gas Supply Agreement dated June 6, 1995 and amended May 22, 1998 between Geneva Steel Company and Air Liquide America Corporation.
2. Oxygen Supply Agreement dated June 10, 1997 between Geneva Steel Company and Air Liquide America Corporation.
3. Geneva Services Agreement dated April 30, 1986 and modified August 31, 1987 between United States Steel Corporation and LaRoche Industries, Inc. (n/k/a Geneva Nitrogen).
4. Agreement between USX Corporation and Geneva Steel Company dated March 28, 1997.
5. Generation Cooperation Agreement dated July 1, 1997 between Utah Power & Light Company (n/k/a PacifiCorp) and Geneva Steel Company and any amendments thereto.
6. Electric Supply Agreement dated November 3, 1989 between Utah Power & Light Company (n/k/a PacifiCorp) and Basic Manufacturing and Technologies of Utah (n/k/a Geneva Steel Company) and any amendments thereto.
7. Electric Supply Agreement dated February 10, 1989 between Utah Power & Light Company (n/k/a PacifiCorp) and Basic Manufacturing and Technologies of Utah (n/k/a Geneva Steel Company) and any amendments thereto.
8. Master Operating Lease and Energy Services Agreement dated July 5, 1994 between PacifiCorp, d/b/a Utah Power & Light Company, and Geneva Steel Company.
9. Electric Service Agreement dated September 9, 2002 between PacifiCorp and Geneva Steel, LLC.
10. Rail Transportation Agreement dated 1997 between Union Pacific Railroad Company, Southern Pacific Transportation Company, the Denver and Rio Grande Western Railroad Company, St. Louis Southwestern Railway Company, SPCSL Corp. and Geneva Steel Company.
11. Agreement between Union Carbide Industrial Gases, Inc., Linde Division (n/k/a Praixair, Inc.), and Geneva Steel dated July 12, 1990.

¹ Contracts and Leases on this schedule are subject to further modifications, additions, or removal by Buyer. Nothing contained herein shall be deemed an admission by Buyer or Seller that any contract, lease or other agreement listed herein is, in fact, an executory contract or unexpired lease or that any party to any such instrument has any interest in or enforceable against the Assets. Buyer and Seller reserve all their claims and defenses with respect to the same.

12. Basic Agreement dated May 18, 1995 between GATX Capital Corporation and Geneva Steel Company.

13. Facility and Site Lease dated May 18, 1995 between GATX Capital Corporation and Geneva Steel Company.

14. Ground Lease dated May 18, 1995 between GATX Capital Corporation and Geneva Steel Company.

Schedule 2.6

Permitted Encumbrances¹

(a) The Land is located within boundary of the town of Vineyard and is subject to charges and assessments levied thereby.

(b) (Affects this and other property) Transmission Line Easement in favor of Utah Power & Light Company recorded November 14, 1942 as Entry No. 9261 in Book 370 at page 445 of Official Records.

(c) (Affects this and other property) Easement Agreement in favor of Utah Power & Light Company recorded August 8, 1978 as Entry No. 31193 in Book 1669 at page 814 of Official Records.

(d) Easements in favor of Laroche Industries Inc., as set forth in that certain Deed recorded May 23, 1986 as Entry No. 16032 in Book 2307 at page 32 of Official Records.

(e) Road Easement in favor of Laroche Industries Inc., recorded May 23, 1986 as Entry No. 16033 in Book 2307 at page 40 of Official Records.

(f) (Affects this and other property) Easement Agreement in favor of Utah County Solid Waste Special Service District recorded March 24, 1993 as Entry No. 16857 in Book 3108 at page 379 of Official Records.

(g) Notice of Hazardous Waste Disposal Unit recorded December 31, 1991 as Entry No. 51931 in Book 2872 at page 142 of Official Records.

¹ Permitted Encumbrances are not hereby admitted to be valid, binding or enforceable against the Assets but instead shall remain subject to all valid claims and detractions of Buyer or Seller. Permitted Encumbrances are subject to further modifications or removal by Utah Lake.

(h) Agreement of Stipulation and Compromise Regarding Utah Lake Boundary, by and between the State of Utah and Geneva Steel Company, recorded August 5, 1996 as Entry No. 63714 in Book 4035 at page 479 and as Entry No. 63715 in Book 4035 at page 488 of Official Records.

(i) (Affects this and other property) The terms and conditions of that certain Stipulation for Partial Settlement of Utah Lake Boundary between the State of Utah and The United States of America, filed September 17, 2001 in the United States District Court, District of Utah, Central Division under Civil No. 2:97CV 0927K and recorded September 18, 2001 as Entry No. 94662:2001 of Official Records.

(j) (Affects that portion of subject property abutting Geneva Road) Access from Geneva Road (S.R. 114) is limited to those openings permitted by the State of Utah.

(k) Easement in favor of Utah Department of Transportation recorded July 22, 2003 as Entry No. 111680:2003 of Official Records.

(l) Memorandum of Agreement by and between Geneva Steel LLC, as debtor and debtor in possession, as Seller, and Summit Vineyard, LLC, a Delaware limited liability company, as Buyer, and recorded August 17, 2004 as Entry No. 94601:2004 of Official Records.

(m) Affidavit of Name Change and Merger wherein notice is given that Geneva Steel LLC, a Delaware limited liability company, is the successor by merger to Basic Manufacturing and Technologies of Utah, Inc., a Utah corporation, recorded March 8, 2005 as Entry No. 24137:2005 of Official Records.

(n) The right to drill additional wells, granted to Summit Vineyard, LLC, a Delaware limited liability company by Water Right Deed and Conveyance of Water Wells and Related Equipment recorded March 8, 2005 as Entry No. 24139:2005 of Official Records.

NOTE: Conveyance of rights to some of these additional wells by Summit Vineyard, LLC, to PacifiCorp by Water Right Deed and Conveyance of Water Wells and Related Equipment recorded March 8, 2005 as Entry No. 24147:2005 of Official Records.

(o) Water Well Easement in favor of Summit Vineyard, LLC, a Delaware limited liability company, recorded March 8, 2005 as Entry No. 24140:2005 of Official Records.

(p) Power Line Easement in favor of Summit Vineyard, LLC, a Delaware limited liability company, recorded March 8, 2005 as Entry No. 24141:2005 of Official Records.

(q) Agreement to Grant Easements recorded March 8, 2005 as Entry No. 24142:2005 of Official Records.

(r) Declaration of Covenants and Restrictions recorded March 8, 2005 as Entry No. 24143:2005 of Official Records.

(s) Terms and conditions of that certain Easement for Monitoring wells executed by and between Summit Vineyard, LLC, a Delaware limited liability company, PacifiCorp, d/b/a Utah Power, and Geneva Steel LLC, as debtor and debtor in possession, recorded March 8, 2005 as Entry No. 24148:2005 of Official Records. (Affects Parcel 2).

(i) Any easements, rights of way, licenses, or other reservation of rights of Central Utah Water Conservancy District pursuant to the Revised Purchase and Sale Agreement dated January 26, 2005 by and between Geneva Steel, LLC and Utah Water Conservancy District.

(ii) Any easements, rights of way, licenses, or other reservation of rights of Summit Vineyard pursuant to the Summit Vineyard sale in the Bankruptcy Proceeding, including not limited to the property described in that certain Conditional Purchase and Sale Agreement attached to Order Authorizing Sale dated July 28, 2004 in the Bankruptcy Proceeding.

Schedule 4.2(a)

Forms of Conveyancing Documents

Land	Trustee's Deed (shall contain no warranties of title)
Intangible Personal Property	Assignment
Leaseholds	Assignment, Assumption and Consent
USS Indemnity	Assignment, Assumption and Consent
Qingdao Contract	Assignment, Assumption and Consent
CST Demolition Contract	Assignment, Assumption and Consent
Central Utah Water Agreement	Assignment, Assumption and Consent
URS Environmental Agreement	Assignment, Assumption and Consent
ERCs	Assignment and Assumption

Exhibit C

SETTLEMENT AGREEMENT AND LIMITED RELEASE

This Settlement Agreement and Limited Release ("Agreement") is executed effective as of November 11, 2005 by and between: James T. Markus, in his capacity as the Chapter 11 Trustee of the Bankruptcy Estate in In re Geneva Steel LLC, Debtor, United States Bankruptcy Court for the District of Utah, Central Division, Case No. 02-21455 GEC, ("Trustee") (the Debtor, Geneva Steel, LLC, when referred to separately from the Trustee, will be referred to as "Debtor" or "Geneva LLC"); and Geneva Nitrogen, LLC, a Delaware limited liability company ("Nitrogen").

R E C I T A L S:

- A. On January 25, 2002 (the "Petition Date"), the Debtor commenced a voluntary case under Chapter 11 of the Bankruptcy Code commencing the bankruptcy case known as In re Geneva Steel LLC, Debtor, United States Bankruptcy Court for the District of Utah, Central Division, Case No. 02-21455 GEC (the "Main Case").
- B. On April 18, 2005, the Trustee was appointed as the Chapter 11 Trustee in the main case.
- C. A principal asset of the estate of the Debtor in the Main Case is the real property located in Utah County, State of Utah, where the Debtor and its predecessors operated a steel plant and related facilities (the "Property").
- D. In 1986, the Property and the steel making operation and surrounding land was owned and operated by United States Steel Company ("USS"). During 1986, USS split off a portion of the land where it was conducting nitrogen processing operations.
- E. In 1986, USS sold the nitrogen processing facility and the separate parcel of land on which that facility is located to LaRoche Industries ("LaRoche") under an Asset Purchase Agreement.
- F. The nitrogen processing facility had access to rail service to load and unload product as part of its business.
- G. As part of the LaRoche/USS transaction, LaRoche and USS entered into that certain "Geneva Services Agreement" dated April 30, 1986 ("Services Agreement").
- H. Among the services recited in the Services Agreement to be provided by USS to LaRoche to operate the nitrogen plant was "railroad switching and use of tracks."
- I. There exists a Union Pacific rail line running along the east side of the property and the nitrogen processing facility (hereinafter the "UP East Line"). The UP East Line runs parallel with Geneva Road. The Services Agreement provides for alternative access to the nitrogen processing facility. It provides:

US Steel will provide LaRoche with an easement for railroad purposes adjacent to the north end of the Geneva Nitrogen plant to allow for a connection with the Union Pacific Railroad. LaRoche shall be solely responsible for all costs associated with the construction of the railroad access and the permission to connect with Union Pacific.

- J. Geneva Steel Company, Inc. ("Old Geneva"), Debtor's predecessor, filed a petition under Chapter 11 with the United States Bankruptcy Court for the District of Utah in 1999.
- K. In approximately 2000, LaRoche filed a bankruptcy petition in the United States Bankruptcy Court for the District of Delaware. Nitrogen, a company separate from LaRoche and USS, asserts that it purchased LaRoche's assets and rights in and to the nitrogen plant from LaRoche's bankruptcy estate under the terms of an Asset Purchase Agreement. Nitrogen has been operating the plant since that time. Following the purchase of the nitrogen facility by Nitrogen, Old Geneva and Debtor continued to provide switching services for rail access from the south.
- L. In 2003, Debtor informed Nitrogen personnel that it could no longer provide switching services from the south and informed Nitrogen that it should build the north track extension connecting with the UP East Line so that Nitrogen would have access to its facility from the north side. Nitrogen asserts that this instruction was the realization of the easement on the north side for rail access granted in the text of the Services Agreement. Trustee contests that an easement was granted by the Services Agreement or otherwise.
- M. In the Spring of 2003, Nitrogen refurbished certain existing track running from the north end of its property onto property of the Debtor, specifically along the northwest side of the Nitrogen property and laid certain new track to reach rail access into the facility. The track allows Nitrogen to bring rail cars to the track extension by way of the UP East Line and then back them into the extension for loading and unloading.
- N. At the time that the north rail access was refurbished, Debtor had on its property existing tracks in the same area that intersected with the track being used by Nitrogen and bending around to the Debtor's then pipe plant. Debtor allowed Nitrogen to use the existing and refurbished tracks such that the full extension of the north track connecting to the UP East Line south of the intersection of 1600 North and Geneva Road was not built, although Nitrogen claims it is entitled to build the access to that extent, if necessary (which claim is disputed by the Trustee). Rather, Nitrogen would use part of the track access running toward the pipe plant to bring its cars down from the UP East Line and into the Northwest track it is now using for access.
- O. An aerial photograph of the site showing the track access presently being used by Nitrogen is attached hereto as Exhibit 1, the same of which is incorporated herein

by reference. The area on the photograph marked with a white line and indicating arrows is the track being used by Nitrogen for access. The length of the white line is approximate and there is or may be some variation in the actual length of track employed by Nitrogen for movement of rail cars. The track on Exhibit 1, marked with the white line and indicating arrows, shall hereinafter be referred to as the "Nitrogen North Track."

- P. The area on the aerial photograph attached as Exhibit 1, which consists of the Nitrogen North Track and 20 feet on either side of the Nitrogen North Track shall be referred to as the "North Zone."
- Q. Attached hereto as Exhibit 2 is an aerial photograph showing the alternative rail access Nitrogen intends to build and complete prior to July 1, 2006. This alternative rail access is also marked with a white line and indicating arrows.
- R. On July 8, 2005, the Trustee filed his "Trustee's Motion for Order (i) Approving the Sale of Certain Assets Free and Clear of Liens, Claims, Interests and Encumbrances Pursuant to 11 U.S.C. §§ 105(a), 363(b)(f) and (m) and 1146(c) and Fed. R. Bankr. P. 2002, 6004 and 6006 to Utah Lake Development, LLC or the Holder of Such Highest and Best Offer; (ii) Authorizing the Assumption or Rejection of Certain Executory Contracts or Unexpired Leases In Connection Therewith Pursuant to 11 U.S.C. § 365; (iii) Approving the Asset Purchase Agreement By and Between Utah Lake Development, LLC, and James T. Markus, Not Personally But Solely As Trustee; and (iv) Granting Related Relief" (the "Sale Motion").
- S. In the Sale Motion, the Trustee contests Nitrogen's assertion of an easement for North rail access across the Property and seeks to sell the Property free and clear of any easement, license or other access rights in favor of Nitrogen for rail or any other access in the North Zone or otherwise across the Debtor's real property.
- T. Nitrogen filed an objection to the Sale Motion, asserting that it was granted an easement, express or otherwise, in the Services Agreement and otherwise, which cannot be expunged, modified or removed under bankruptcy or applicable state law. Since the filing of the objection to the Sale Motion by Nitrogen, the Trustee and Nitrogen have been litigating that matter (the "Contested Matter").
- U. Also, in conjunction with the Contested Matter, the Trustee filed an adversary complaint on September 23, 2005, commencing the matter of In re Geneva Steel LLC; James T. Markus, Trustee, Plaintiff, v. Geneva Nitrogen, LLC, Defendant, Adversary Proceeding No. 05-02590 (the "Litigation"). The Adversary Action seeks relief declaring that Nitrogen does not have any easement, access or license rights in the North Zone or otherwise across the Debtor's real property, the Adversary Action also asks that Nitrogen be compelled to tender a certain Quit Claim Deed to the Debtor to resolve a claimed encumbrance on the title to certain water rights sold by the estate to Central Utah Project (the "Water Rights").

- V. Nitrogen filed an Answer in the Litigation, denying the substantive averments of the Complaint and seeking relief that it is entitled to retain the Water Rights and that it is entitled to an easement for north rail access to its facility.
- W. Pursuant to the Sale Motion and the bid procedures order that precedes it, the Property, which includes the North Zone, will be auctioned on November 17, 2005 to the highest and best offer (the "Auction"). The Trustee will then seek Court approval on November 21, 2005 to approve the results of the Auction and approve the sale of the Debtor's real property to the highest and best bidder, free and clear of any and all interests, liens, claims or encumbrances, including without limitation Nitrogen's asserted easement, access or license rights across the North Zone.
- X. Nitrogen claims that if it is denied rights to the north access, that it will be severely damaged and that its only alternative is to construct an expensive alternate rail line to the south end of its property across its property and into the necessary buildings as approximately identified on Exhibit 2 with (this alternate course is hereinafter referred to as the "Nitrogen Alternate Rail Access"). Nitrogen also claims that if it is forced to build the Nitrogen Alternate Rail Access, that it will take up to and including nine months to construct and make such access fully operational.
- Y. Debtor holds the right to use certain easements for its purposes across Nitrogen's property for a power line and a steam line (the "Power and Steam Easements").

The parties hereto, being mindful of the uncertainties of litigation and in the interests of obtaining peace and certainty, have reached terms of settlement of the Contested Matter and the Adversary Action. The claims and defenses asserted by each party in the Contested Matter and in the Adversary Action are hereinafter collectively referred to, when collective reference is made, as the "Claims." Desiring to memorialize such terms, and in accordance with their agreement, the Trustee and Nitrogen make and enter into the covenants and agreements below.

COVENANTS AND AGREEMENTS

WHEREFORE, the Trustee and Nitrogen covenant and agree as follows:

1. **Payment of Money.** For and in consideration of the agreements and performances of Nitrogen under this agreement, the Trustee and Debtor shall pay to Nitrogen immediately upon entry of a final nonappealable order of approving this Agreement, the sum of \$100,000.00. Nitrogen may use such funds as it sees fit. This payment is conditioned only upon approval of this Agreement by the Bankruptcy Court, and is in no way conditioned upon the closing of any sale of the Property, granting of the Sale Motion, or any other condition whatsoever.
2. **Transfer of Water Right.** Nitrogen will, upon execution of this Agreement and entry of a final nonappealable order of the Bankruptcy Court approving this Agreement, and payment of money required above, transfer the Water Rights to the Debtor on a Quit Claim Deed substantially in the form attached hereto as Exhibit B.
3. **Continued Use of the Nitrogen North Track.** Nitrogen is hereby granted an unconditioned irrevocable license to continue to use the Nitrogen North Track in the same manner and to the same extent it has been using the Nitrogen North Track since the Spring of 2003 for ingress and egress of rail cars by way of the UP East Line or otherwise, which license shall expire and terminate on July 1, 2006. The marking of and identification of the Nitrogen North Track on the map attached as Exhibit 1 is recognized by the parties to be a non-surveyed identification of the length and location of track being used by Nitrogen for access to its facility from the north side. Nitrogen shall have, notwithstanding the markings of the Nitrogen North Track on Exhibit 1, rights under this irrevocable license to use the full length and width of track that it has typically used and in the manner it has typically used such track from the spring of 2003 to the present time. Notwithstanding the above, Nitrogen acknowledges that identification of the North Track on Exhibit 1 is substantially accurate. In the event of any conflict between the Nitrogen North Track designation on Exhibit 1 and Nitrogen's typical established use of the north track, Nitrogen's typical and established use shall prevail.
4. **Nondisturbance.** Nitrogen's use of the Nitrogen North Track during the term of the license shall not be restricted, interfered with, limited, modified, or prevented in any manner whatsoever except as necessary to comply with state or municipal laws and regulations concerning use of the Nitrogen North Track.
5. **Non-Release of North Zone.** The North Zone shall not be released to any salvager, demolition company, construction company, grader, or any other person or company, including but not limited to, CST Environmental, for removal of any track or material or any other activity which would impede the use of the Nitrogen North Track during the license period, until the day following the expiration of the Nitrogen North Track irrevocable license granted in paragraph 3 above. The parties shall take, and cooperate in taking, all necessary steps and actions to protect and preserve Nitrogen's right to use the Nitrogen North Track in its discretion. Such actions may include, but not be limited to, legal actions seeking injunctive relief.

6. Imposition of Obligations of This Agreement on Purchasers. The Trustee shall take all steps necessary to impose the obligations of this Agreement upon any purchaser of the Property through the Sale Motion and shall impose such obligations as a condition of the purchase to be announced prior to the Auction. In addition, the Trustee shall ensure the inclusion of substantially the following provision in the order approving the sale of the Property through the Sale Motion:

The [description of the property purchase] and the [buyer's] rights to it are specifically subject to and encumbered by the obligations of that certain Settlement Agreement and Mutual Release ("Agreement") by and between [Trustee] and Geneva Nitrogen, LLC, dated November __, 2005. A copy of the Agreement is attached to this Order as Exhibit __ and by this reference incorporated as a part hereof. [Purchaser] assumes and shall perform all of the obligations of the Trustee under the Agreement with the exception of payment of money to Nitrogen and shall have the benefit of considerations to be received by the Trustee under the Agreement. Subject to the termination date of July 1, 2006, the Agreement shall be construed as a covenant running with the [Property] and the Agreement may be recorded by Geneva Nitrogen at its discretion but shall obligate [Purchaser] to the terms of the Agreement as the successor to the Trustee, as provided herein.

7. Track Maintenance. During the terms of the irrevocable license, Nitrogen shall be solely responsible for maintaining the Nitrogen North Track in a safe and working condition in accordance with typical practices for railroad line maintenance and in compliance with all applicable federal, state and municipal laws and ordinances. However, if any other party uses the Nitrogen North Track during the license period, Nitrogen may request such party to participate in the cost of track maintenance.

8. Indemnification. Nitrogen shall indemnify and hold the Trustee and any subsequent owner of the Debtor's real property harmless from any and all claims, injuries, or causes of action asserted against the Trustee and any subsequent owner of the Debtor's real property as the owner of the North Zone arising from or related to Nitrogen's use of the Nitrogen North Track during the term of the irrevocable license, that are directly attributable to the fault or negligence of Nitrogen. Upon the assertion of any such claim, the Trustee and any subsequent owner of the Debtor's real property shall, within five (5) business days, notify Nitrogen, in writing, of the claim, including the name of the complainant, any documents memorializing the complaint, and requesting defense of the claim. Upon such tender, Nitrogen, if it accepts defense of the claim, shall have the sole discretion to defend, litigate or settle the claim, to file any insurance claims, or to otherwise dispose of the claim. The Trustee and any subsequent owner of the Debtor's real property, however, shall fully cooperate with Nitrogen in the defense and/or settlement of any such claims. Notwithstanding any provisions of this paragraph, Nitrogen shall have the right to seek contribution or determine comparative fault among any other person or party, including the Trustee, who is or may be partly at fault for any such injury, claim or cause

of action. Nitrogen acknowledges and agrees that any subsequent owner of the Debtor's real property is an intended third party beneficiary of this indemnification provision.

9. **Cancellation of Nitrogen Easements.** Except for the rights granted hereunder, Nitrogen, for and in consideration of the promises and performances of the Trustee hereunder, agrees, upon the entry of a final nonappealable Order approving this Agreement, that Nitrogen shall be deemed to hereby release, reconvey or otherwise forfeit any other express or implied easements, licenses, or access rights that it has across the Property including, and limited to, the two recorded road access easements that are of record.

10. **Cancellation of Power and Steam Easements.** Except for the rights granted hereunder, Debtor and the Trustee agree that upon entry of a final, non-appealable order approving this Agreement, that Geneva shall be deemed to hereby release, reconvey or otherwise forfeit the power line easement and the steam line easement. Other easements in favor of Debtor across Nitrogen's property shall be retained.

11. **Disposition of Litigation.** Upon entry of a final nonappealable order approving this Agreement, the parties agree: (1) to file a joint motion to dismiss the Adversary Action with prejudice and on the merits, with each party to bear its own respective attorneys fees and costs; and, (2) Nitrogen shall withdraw its objection to the Sale Motion.

12. **Release of Obligations of Services Agreement.** For and in consideration of the promises and performances of the Trustee under this Agreement, upon entry of a final nonappealable order approving it, shall fully satisfy and release any performances due by either party under the terms of the Services Agreement, and the Services Agreement will be deemed fully performed.

13. **Recordation of Agreement.** Nitrogen shall have the option, but not the obligation, to record this Agreement on the title to the Property at any time and without limitation.

14. **Bankruptcy Court Approval.** This Agreement is subject to approval in the Main Case by the United States Bankruptcy Court for the District of Utah. The parties will cooperate in bringing an appropriate motion on an expedited basis to seek approval of this Agreement prior to or in conjunction with the sale hearing scheduled for November 21 and 22, 2005 and agree to seek waiver of any waiting periods imposed by Bankruptcy Rules 9019, 6004, and/or 6006 so that such Order is effective upon entry.

15. **Additional Documentation.** The parties agree that in the event it is necessary to execute any additional documents to carry out the intent of this Agreement, the parties will reasonably cooperate to draft, execute and, if necessary, record or file such documents.

16. **Good Faith.** All parties shall pursue completion of this Agreement with utmost good faith and in a timely manner.

17. **Release.** For and in consideration of the execution of this Agreement and the covenants, promises and performances of this Agreement, and except for the obligations of this Agreement, the parties hereto and each of them, on behalf of themselves and on behalf of any

and all agents, successors, attorneys, assigns, representatives, employees, officers, directors, insurers, members, managers, partners, spouses and heirs, and others, do hereby release and forever acquit and discharge each other and any and all other individual and collective past, present and future officers, directors, parents, subsidiaries, shareholders, affiliates, partners, attorneys, agents, members, managers, associates, past members, past associates, former employees, spouses, partners, trustees and heirs, and all other persons or entities for whose conduct any and all of the foregoing may be liable under any theory of law or equity, of and from any liability, rights, claims, commissions or other compensations, demands, obligations, damages, losses, injuries, costs, expenses, attorneys fees, all actions, causes of action, controversies relating to or arising under the Services Agreement or otherwise raised in the Adversary Proceeding or the Contested Matter. Notwithstanding any of the foregoing, this Release paragraph is not intended to release any claims based upon the obligations of this Agreement or any act, omission or matter which occurs after the date of execution of this Agreement or claims, if any, which the Debtor, the Trustee or any subsequent owner of the Debtor's real property may possess against Nitrogen, or claims, if any, which Nitrogen may have against the Debtor or any previous or subsequent owner of the Property, relating to or arising from the presence, release or threatened release of hazardous materials or other environmental contamination on, beneath, within or migrating to the Property currently owned by the Debtor, or from the Property currently owned by the Debtor to the real property owned by Nitrogen.

18. Release of Additional Claims by Nitrogen. In addition to the above, and except as provided above, Nitrogen hereby releases and forever discharges the Debtor, the Debtor's estate, Geneva LLC and the Trustee and their respective associates, affiliates, predecessors, successors, heirs, assigns, agents and the employees, agents, attorneys, representatives, predecessors, successors, and assigns thereof from any and all manner of action, cause or causes of action in law or in equity, suits, debts, liens, contracts, agreements, promises, liabilities, claims, demands, damages, losses, costs or expenses of any nature whatsoever, known or unknown, fixed or contingent which Nitrogen now has, from the beginning of time to the date hereof, or which may hereafter accrue against any one of the above-listed entities based upon any acts or omissions occurring prior to the date of this Agreement. Without limiting the generality of the foregoing, the release contained herein applies to any claims asserted by Nitrogen against the Debtor or its Estate, including Proof of Claim No. 590 and any administrative claims arising in favor of Nitrogen. This release paragraph is not intended to release any claims based on the obligations of this Agreement, or any act, omission or matter which occurs after the date of execution of this Agreement, or claims, if any, which Nitrogen, its predecessors or successors, may possess against Debtor or any predecessor owner of the Property, related to or arising from the presence, release or threatened release of hazardous materials or other environmental contamination, on, beneath, within or migrating to the real property owned by Nitrogen.

19. Unknown Facts. The parties acknowledge that they may hereafter discover facts which occurred from the beginning of time to the date of execution of this Agreement, which are different from, or in addition to, those which they now know to be true, or matters which underlay the Claims or the potential claims of the parties' alleged injuries, losses or damages, and agree that this Agreement and the limited releases contained herein be and remain effective in all respects notwithstanding such different or additional facts or the discovery thereof. The parties expressly waive the benefit of any statute or rule of law, if any, which might otherwise

limit the scope of this Agreement because of unknown matters existing from the beginning of time to the date of execution of this Agreement, whether material or otherwise.

20. Warranties of the Parties. The parties represent and warrant that they each have the right and authority to execute this Agreement, that they have not sold, assigned, transferred, conveyed or otherwise disposed of any of the claims, demands, obligations or causes of action referred to in the Recitals and elsewhere in this Agreement. All parties executing this Agreement, or documents required by this Agreement, on behalf of any corporation or other legal entity, expressly represent that they possess requisite authority under applicable corporate law, to execute this Agreement and any documents executed in pursuance hereof.

21. Limitation of Warranties. Except as expressly set forth in this Agreement, the parties have not made and make no other representations, warranties, statements, promises or agreements to each other.

22. Compromise. This Agreement is executed as a compromise settlement of disputed claims among the parties, liability and responsibility for which is expressly denied by all parties. The considerations contained herein do not constitute an admission of liability of wrongdoing on the part of any party.

23. Applicable Law and Resolution of Disputes. This Agreement is entered into in the state of Utah and shall be construed and interpreted in accordance with its laws and statutes, and applicable bankruptcy law and it is agreed that any disputes relating to this Agreement shall be litigated in the United States Bankruptcy Court for the District of Utah.

24. No Waiver. No failure of any party to insist upon the strict performance of any performance, duty, agreement or condition of this Agreement, or to exercise any right or remedy upon the breach thereof, shall constitute a waiver of any breach of this Agreement.

25. Counterparts and Facsimile Signatures. This Agreement may be signed with any number of counterparts with the same effect as if the signatures upon any counterpart were upon the same instrument. All signed counterparts shall be deemed to be one original. Signatures sent by facsimile shall become part of this Agreement and shall be deemed original signatures. However, any party executing this Agreement and transmitting such signature by facsimile shall mail the original signature to their counsel of record for inclusion into the counterpart signatures.

26. Attorney's Fees. In the event any action or proceeding is brought by any party to enforce the provisions of this Agreement, the prevailing party shall be entitled to recover its/his/her costs and reasonable attorney's fees, whether such sums are expended with or without suit, at trial, arbitration, or on appeal.

27. Integration and Entire Agreement. This Agreement sets forth the entire agreement and understanding between and among the parties hereto with respect to the subject matter hereof and supersedes all prior written and oral agreements, term sheets, negotiations and understandings; shall be binding upon the successors, assigns, heirs, and personal representatives of the parties, and may not be rescinded, canceled, terminated, supplemented, amended, or modified in any manner whatsoever without the prior written consent of all parties.

28. Exhibits. The exhibits attached to this Agreement are expressly made a part of this Agreement as though completely set forth herein. All references to this Agreement shall be deemed to refer to and include all such exhibits.

29. Successors. This Agreement is binding on the heirs, successors, assigns, and personal representatives of each party to this Agreement.

30. Non-Severability. Each term of this Agreement is dependent upon each other term hereof. This Agreement is not severable and shall be construed and performed as a single integrated agreement.

31. Notices. All notices, requests, demand and other communications hereunder shall be in writing and shall be given (1) by Federal Express (or other established express delivery service which maintains delivery records); (2) hand-delivery; or (3) by certified or registered mail, postage prepaid, return receipt requested, to the parties at the following addresses, or at such other addresses as the parties may designate by written notice in this matter.

To Geneva Nitrogen, LLC:

Geneva Nitrogen, LLC
Attn: Steven R. Thompson
1165 North 1600 West
Vineyard, Utah 84057

With a copy to:

Jeffrey Weston Shields, Esq.
Jerome Romero, Esq.
Jones, Waldo, Holbrook & McDonough, PC
170 South Main Street, Suite 1500
Salt Lake City, Utah 84101
Telephone: (801) 521-3200
Facsimile: (801) 328-0537

To Trustee:

James T. Markus
Block Markus & Williams, LLC
1700 Lincoln Street, Suite 4000
Denver, Colorado 80203
Telephone: (303) 830-0800
Facsimile: (303) 830-0809
jmarkus@bmvllc.com

Such communication may also be given by facsimile transmission, provided that any such communication is concurrently given by one of the above methods. Notices shall be

deemed effective upon receipt or upon attempted delivery thereof. If delivery is refused by the intended recipient, or delivery is impossible because the intended recipient has failed to provide a reasonable means for accomplishing delivery, delivery shall, nevertheless, be considered to have been made.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date in the year last above written.

JAMES T. MARKUS, solely in his
capacity as Chapter 11 Trustee
of Geneva Steel LLC

By: 

GENEVA NITROGEN, LLC

By: _____

Steven R. Thompson
Its General Manager

11/11/2005 14:40 IFAX
NOV-11-2005 14:38

GENEVA NITROGEN LLC

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1 801 227 7303 P.02/02

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By _____

GENEVA NITROGEN, LLC

By 
Steven R. Thompson
Its General Manager

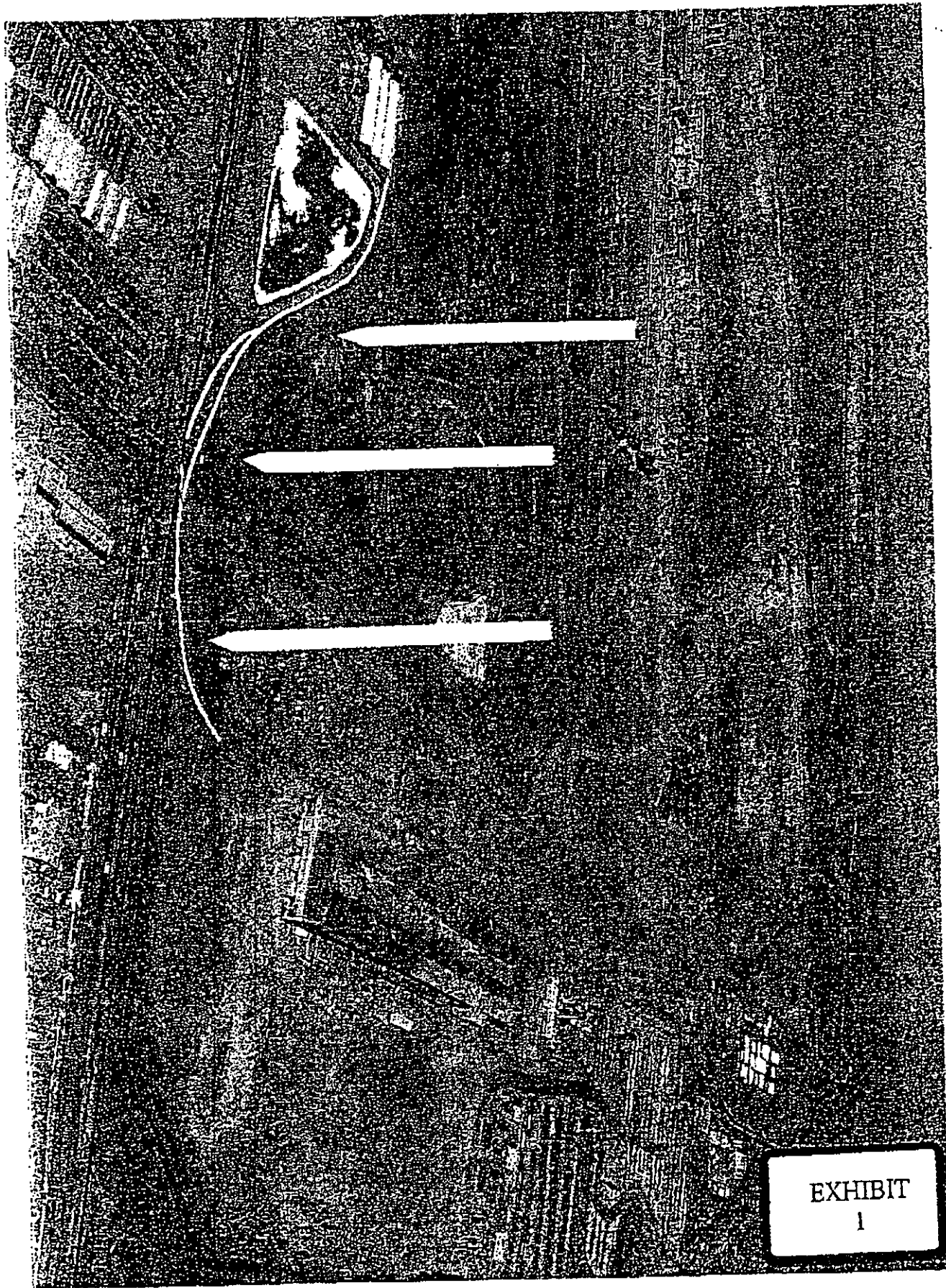


EXHIBIT
1

ADDENDUM TO SETTLEMENT AGREEMENT AND LIMITED RELEASE

This Addendum to Settlement Agreement and Mutual Release ("Addendum") is executed effective as of November 21, 2005 by and between James T. Markus, in his capacity as the Chapter 11 Trustee of the Bankruptcy Estate of In re: Geneva Steel LLC, Debtor, United States Bankruptcy Court for the District of Utah, Central Division, Case No. 02-24155 GEC ("Trustee") (the Debtor, Geneva Steel, LLC will be referred to as "Debtor" or "Geneva LLC" when referred to separately from the Trustee), and Geneva Nitrogen, LLC, a Delaware Limited Liability Company ("Nitrogen").

RECITALS

1. Trustee and Nitrogen entered into that certain Settlement Agreement and Mutual Release dated November 11, 2005 (the "Agreement") resolving certain disputes in the Main Case.
2. The Trustee filed with the Court a Motion to Approve the Agreement as a settlement, which motion came for hearing before the Bankruptcy Court in the Main Case on November 21, 2005.
3. The Agreement was approved by the Court subject to two modifications requested by the Trustee and agreed to by Nitrogen.
4. The Trustee and Nitrogen enter into this Addendum to provide for the modifications to the Agreement to which they agreed.

BASED UPON THE FOREGOING RECITALS, WHICH ARE INCORPORATED BY REFERENCE INTO THE TERMS BELOW, THE TRUSTEE AND NITROGEN AGREE AS FOLLOWS:

1. "As Is" Condition if Nitrogen North Track: The following language shall be added at the end of Section 7, page 6 of the Agreement: "Nitrogen accepts the condition of the Nitrogen North Track in an as is where is condition as of the date of this Agreement."
2. Recordation of Release: In the second line of Section 13, page 7 of the Agreement, the words "at any time" are deleted and in their place the following words are inserted: "prior to July 1, 2006." The following sentence shall be added at the end of Section 13: "and Nitrogen shall record a release of this Agreement on the title to the Property on July 1, 2006 if it has previously recorded this Agreement."
3. Definitions: All definitions used in this Addendum shall be the same as those used in the Agreement.

4. Preservation: Except as modified by the Addendum, all terms of the Agreement shall remain in full force and effect. In the event of conflict between the terms of this Addendum and the Agreement, this Addendum shall control.

DATED and AGREED on the date last above written.

GENEVA NITROGEN, LLC
A Delaware Limited Liability Company

By: 
Steven R. Thompson
Its: Vice President & General Manager

JAMES T. MARKUS solely in his
Capacity as Chapter 11 Trustee of Geneva
Steel LLC

By: 