OPTION AGREEMENT

THIS AGREEMENT made and entered into as of the 15th day of August, 2008, by and between the **MEMPHIS AND SHELBY COUNTY PORT COMMISSION**, an organization created by Chapters 500 and 529 of the Private Acts of Tennessee of 1947, as amended, **THE CITY OF MEMPHIS**, a municipal corporation organized under the laws of the State of Tennessee, and **THE COUNTY OF SHELBY**, one of the counties of the State of Tennessee (hereinafter referred to as "Optionor") and **METAL MANAGEMENT MEMPHIS, LLC**, a limited liability company (hereinafter referred to as "Optionee");

W I T N E S S E T H:

WHEREAS, the Optionor are the owners and have management and control of certain lands situated in the Memphis and Shelby County Port Commission's Pidgeon Industrial area in the City of Memphis which lands include the premises described on Exhibit A attached hereto (the "Leased Premises"); and

WHEREAS, Optionor desires to grant to Optionee an option to lease the Leased Premises.

NOW THEREFORE, in consideration of the premises, the mutual advantage accruing each to the other, and for good and valuable consideration, the adequacy of which and the receipt of which the parties hereto acknowledge from the other, the parties agree as follows:

1. Optionor does hereby grant to Optionee for a one year period from the date hereof the option to lease the Leased Premises in accordance with the Lease Agreement attached hereto as Exhibit A. The Option is not assignable.

2. Optionee shall pay to Optionor beginning on the date of this agreement $6,671.00 per month and a like amount each month thereafter until the earlier of (i) twelve (12) full monthly payments or (ii) the failure by Optionee and Optionor to obtain a special use permit allowing Optionee the uses stated in the Exhibit A hereto or (iii) the exercise of this Option Agreement by Optionee after which payment shall be made in accordance with Exhibit A hereto.

3. Optionee may during the term of this Option Agreement be permitted to come upon the Leased Premises for the purpose of exercising whatever due diligence it deems appropriate and necessary and as further defined and governed by the terms of the Right of Entry Permit between the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or officials, duly authorized so to do, on the day and year indicated below.

[SIGNATURES NEXT PAGE]

ATTEST:

OPTIONOR:

MEMPHIS AND SHELBY COUNTY PORT COMMISSION

Secretary-Treasurer

By: _____
Chairman

APPROVED AS TO FORM:

_____
Port Commission Attorney

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, a notary public within and for said state and county, at Memphis, Tennessee, duly commissioned and qualified, personally appeared **THOMAS E. FISHER**, with whom I am personally acquainted, and who upon oath acknowledged himself to be the Chairman of the Memphis and Shelby County Port Commission, created by Chapters 500 and 529 of the Private Acts of Tennessee of 1947, as amended, and that he as such chairman being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the Memphis and Shelby County Port Commission by himself as chairman.

WITNESS my hand and seal of office at Memphis, Tennessee, this the 22nd day of August, 2008.

_____
Notary Public

My commission expires_____

My Commission Exp. Oct. 19, 2008

DONALD C. McCRORY
STATE OF TENNESSEE NOTARY PUBLIC
COUNTY OF SHELBY

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ATTEST:

OPTIONOR:
CITY OF MEMPHIS

_____
City Comptroller

By:_____
Dr. W. W. Herenton, Mayor

APPROVED AS TO FORM:

_____
City Attorney

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, a notary public within and for said state and county, at Memphis, Tennessee, duly commissioned and qualified, personally appeared **DR. W.W. HERENTON**, and with whom I am personally acquainted, and who upon oath acknowledged himself to be the Mayor of the City of Memphis, a municipal corporation of the State of Tennessee, and that he as mayor being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the municipal corporation by himself as mayor thereof.

WITNESS my hand and seal of office at Memphis, Tennessee, this the _____day of _____, 2008.

_____

My commission expires:_____

ATTEST:

OPTIONOR:
COUNTY OF SHELBY

_____ By:_____
Clerk of County Commission A C Wharton, Jr., Mayor

APPROVED AS TO LEGAL FORM,
EFFICACY AND PROPRIETY:

_____
Contract Administrator
Assistant County Attorney

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, a notary public within and for said state and county, at Memphis, Tennessee, duly commissioned and qualified, personally appeared **A C WHARTON, JR.** with whom I am personally acquainted, and who upon oath acknowledged himself to be the Mayor of the County of Shelby, State of Tennessee, and that he as such mayor, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of Shelby County by himself as mayor thereof.

WITNESS my hand and seal of office at Memphis, Tennessee, this the _____day of _____, 2008

_____

My commission expires:_____

OPTIONEE:
METAL MANAGEMENT MEMPHIS, LLC

By: _____

STATE OF MS

COUNTY OF Union

Before me, a notary public within and for said state and county, duly commissioned and qualified, personally appeared STEVE ROBBINS with whom I am personally acquainted, and who upon oath acknowledged himself to be the CFO of **METAL MANAGEMENT MEMPHIS, LLC** and that he as such CFO being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as such CFO.

WITNESS my hand and seal of office at New Albany, MS, this 14th day of Aug., 2008.

Lisa Hicks

My commission expires: _____

My Commission Expires 1-31-2012

STATE OF MISSISSIPPI
LISA HICKS
ID No
58719
NOTARY PUBLIC
Comm Expires
January 31, 2012
UNION COUNTY

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GRID NORTH
BEARINGS ARE RELATIVE TO TENNESSEE STATE PLANE
GRID COORDINATE SYSTEM
[SEE COORDINATE NOTE AT LEGAL DESCRIPTION]

EXHIBIT "A"

SUBJECT PARCEL

BEING A DESCRIPTION OF PART OF THE CITY OF MEMPHIS, TENNESSEE AND COUNTY OF SHELBY, TENNESSEE PROPERTY OF RECORD IN BOOK 3937 – PAGE 205 AT THE SHELBY COUNTY REGISTERS OFFICE (SCRO), SAID PART TO BE KNOWN FOR THE PURPOSES OF THIS DESCRIPTION AS "SUBJECT PARCEL" SAID SUBJECT PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NUCOR STEEL MEMPHIS, INC LEASE AREA, SHOWN AS "SUBJECT PARCEL 02" ON THE SURVEY BY PICKERING FIRM, INC. ENTITLED "SURVEY OF THREE PARCELS...", LAST REVISED FEBRUARY 6, 2007, (NO DEED OF RECORD FURNISHED), SAID POINT OF COMMENCEMENT AS EVIDENCED BY A FOUND REBAR, SAID POINT OF COMMENCEMENT HAVING TENNESSEE STATE PLANE COORDINATES OF NORTHING 289,456.12 FEET AND EASTING 721,382.45 FEET (SEE COORDINATE NOTE BELOW), SAID POINT OF COMMENCEMENT BEING 4609.51 FEET SOUTH OF, AND 5126.49 FEET EAST OF, THE INTERSECTION OF THE PHYSICAL CENTERLINE OF PAUL R. LOWRY ROAD (PUBLIC, PAVED ROAD – 84 FEET WIDE) AND THE PHYSICAL CENTERLINE OF RIVERPORT ROAD (PUBLIC, PAVED ROAD – 84 FEET WIDE); THENCE NORTH 86 DEGREES 57 MINUTES 23 SECONDS WEST ALONG THE NORTHERLY LINE OF SAID NUCOR STEEL MEMPHIS, INC LEASE AREA – 123.51 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION, SAID POINT OF BEGINNING HAVING TENNESSEE STATE PLANE COORDINATES OF NORTHING 289,462.68 FEET AND EASTING 721,259.11 FEET (SEE COORDINATE NOTE BELOW; THENCE ALONG THE PERIMETER OF SUBJECT PARCEL THE FOLLOWING COURSES:

THENCE NORTH 86 DEGREES 57 MINUTES 23 SECONDS WEST (CONTINUING ALONG SAID NORTHERLY LINE OF NUCOR STEEL MEMPHIS, INC LEASE AREA) – 1,044.20 FEET TO THE EASTERNMOST EASTERLY LINE OF THE NUCOR STEEL MEMPHIS, INC LICENSE AREA, AS SHOWN ON SAID SURVEY ENTITLED "SURVEY OF THREE PARCELS...", LAST REVISED FEBRUARY 6, 2007, (NO DEED OF RECORD FURNISHED);

THENCE NORTH 03 DEGREES 02 MINUTES 37 SECONDS EAST ALONG SAID EASTERNMOST EASTERLY LINE – 175.00 FEET TO THE NORTHERLY LINE OF SAME;

THENCE NORTH 86 DEGREES 57 MINUTES 23 SECONDS WEST ALONG SAID NORTHERLY LINE – 137.68 FEET TO A POINT IN THE "TOE OF HARBOR" AS SHOWN ON THE PLANS OF THE HARBOR AND INDUSTRIAL FILL SITE BY ELLERS, OAKLEY, CHESTER & RIKE DATED MARCH, 1997; SAID POINT LYING ON A NON TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 4,925.00 FEET;

THENCE ALONG SAID TOE OF HARBOR THE FOLLOWING COURSES: NORTHWARDLY ALONG SAID NON–TANGENT CURVE TO RIGHT AN ARC DISTANCE OF 230.49 FEET (DELTA ANGLE OF 02 DEGREES 40 MINUTES 53 SECONDS; CHORD BEARING OF NORTH 06 DEGREES 03 MINUTES 27 SECONDS EAST – CHORD DISTANCE OF 230.46 FEET);

THENCE NORTH 15 DEGREES 47 MINUTES 41 SECONDS EAST – 198.03 FEET TO THE A POINT LYING ON A NON–TANGENT CURVE TO THE RIGHT;

THENCE NORTHEASTWARDLY ALONG SAID NON-TANGENT CURVE TO THE RIGHT AN ARC DISTANCE OF 709.75 FEET (DELTA ANGLE OF 08 DEGREES 17 MINUTES 57 SECONDS; CHORD BEARING OF NORTH 13 DEGREES 50 MINUTES 21 SECONDS EAST – CHORD DISTANCE OF 709.14 FEET) TO THE SOUTHERLY DEED LINE OF THAT CITY OF MEMPHIS; TENNESSEE AND COUNTY OF SHELBY, TENNESSEE PROPERTY OF RECORD IN WARRANTY DEED AT INSTRUMENT NUMBER G5-2092 (SCRO);

THENCE SOUTH 64 DEGREES 54 MINUTES 01 SECONDS EAST ALONG SAID SOUTHERLY DEED LINE – 1,369.72 FEET TO THE NORTHWESTERLY LINE OF A PROPOSED ROAD (36 FEET WIDE, AS PROPOSED), SAID PROPOSED ROAD AS SHOWN ON THE SURVEY ENTITLED "SUBJECT 01 – RIGHT OF WAY" BY PICKERING FIRM, INC., DATED NOVEMBER 13, 2007; THENCE ALONG SAID NORTHWESTERLY LINE OF A PROPOSED ROAD THE FOLLOWING COURSES:

SOUTH 22 DEGREES 37 MINUTES 52 SECONDS WEST – 538.41 FEET TO AN ANGLE POINT;

THENCE SOUTH 21 DEGREES 32 MINUTES 44 SECONDS WEST – 118.45 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 60.00 FEET;

THENCE SOUTHWESTWARDLY ALONG SAID CURVE (LEAVING SAID NORTHWESTERLY LINE OF PROPOSED ROAD) AN ARC DISTANCE OF 75.50 FEET (DELTA ANGLE OF 72 DEGREES 05 MINUTES 56 SECONDS; CHORD BEARING OF SOUTH 57 DEGREES 35 MINUTES 42 SECONDS WEST, CHORD DISTANCE OF 70.62 FEET) TO A POINT OF REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 60.00 FEET;

THENCE SOUTHWESTWARDLY, SOUTHWARDLY AND SOUTHEASTWARDLY ALONG SAID REVERSE CURVE TO THE LEFT AN ARC DISTANCE OF 189.12 FEET (DELTA ANGLE OF 180 DEGREES 36 MINUTES 03 SECONDS; CHORD BEARING OF SOUTH 03 DEGREES 20 MINUTES 39 SECONDS WEST, CHORD DISTANCE OF 120.00 FEET) TO THE POINT OF BEGINNING.

SUBJECT PARCEL AS DESCRIBED ABOVE CONTAINING 1,334,187 SQUARE FEET OR 30.629 ACRES, MORE OR LESS.

SUBJECT PARCEL AS DESCRIBED ABOVE IS VACANT LAND.

ALL REFERENCES TO BEARINGS AND TENNESSEE STATE PLANE GRID COORDINATES AS INDICATED IN THIS LEGAL DESCRIPTION AND ON THE ACCOMPANYING SURVEY EXHIBIT ARE UNADJUSTED, NAD 83, SURVEY FEET, WITH A CONVERGENCE ANGLE OF -02 DEGREES 26 MINUTES 24.28 SECONDS AND A COMBINED FACTOR OF 1.000035054 AT THE POINT OF COMMENCEMENT OF LEGAL DESCRIPTION. GRID COORDINATE VALUES WERE DETERMINED BY GLOBAL POSITIONING SURVEY (GPS) OBSERVATION AND OPUS SOLUTION.

THIS LEGAL DESCRIPTION AND ACCOMPANYING EXHIBIT WERE PERFORMED UNDER THE AUTHORITY OF TENNESSEE CODE ANNOTATED 68-18-126 AND IS NOT A GENERAL PROPERTY SURVEY AS DEFINED UNDER TENNESSEE CODE ANNOTATED 0820-3-07.

THIS LEGAL DESCRIPTION AND ACCOMPANYING EXHIBIT DO NOT CONSTITUTE A LEGAL PARTITION, DIVISION OR SUBDIVISION OF THE PARENT TRACT (CITY OF MEMPHIS, TENNESSEE AND COUNTY OF SHELBY, TENNESSEE PROPERTY OF RECORD IN BOOK 3937 – PAGE 205)

BY GRAPHIC DETERMINATION SUBJECT PARCEL IS LOCATED ENTIRELY WITHIN THE LIMITS OF A DESIGNATED FLOOD HAZARD AREA PER FEMA \ FIRM MAP NUMBER 47157C0260 E, SHELBY COUNTY, TENNESSEE, EFFECTIVE DATE OF DECEMBER 2, 1994. SUBJECT PARCEL – RIGHT OF WAY LIES WITHIN ZONE "X" [OTHER FLOOD AREAS – AREAS OF 500 YEAR FLOOD, AREAS OF 100 YEAR FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 100 YEAR FLOOD].