From: Garey Rittenhouse – PSC Metals Inc.

To: Arthur Seymour, Jr.

Date: 06/09/2011

Re: Draft Plan of Operations for Proposed PSC Metals Facility on Cogdill Road

Scope of Activity:

PSC Metals will engage in the purchase and consolidation of ferrous and non-ferrous scrap metals for later resale to end consumers of such materials. In doing so, PSC Metals will purchase scrap metals from the general public, smaller scrap metal dealers, and manufacturers within a reasonable distance of the Cogdill Road property. Examples of the material types purchased are listed below.

Ferrous Scrap Grades

Non-Ferrous Scrap Grades

Steel castings Steel turnings Steel sheet Steel plate Heavy Solids

Copper Aluminum Stainless Steel Titanium Nickel

Upon purchase and delivery to the Cogdill Road property, these material grades will be sorted by material type and consolidated for shipment to one of PSC's two other processing locations within the Knoxville metropolitan area. Ferrous products will be sent to our shredding facility located within Forks of the River industrial park. Non-ferrous products will be sent to our location on Central Street for processing.

Initial material sorting and processing will occur at the Cogdill Road property. For ferrous materials, processing will be done using equipment such as mobile shear, mobile logger, and mobile magnetic crane. Ferrous material will be loaded into roll-off containers and dump trailers for transport. For non-ferrous grades, most material will be sorted into roll-off containers and dump trailers shortly after purchase. In some cases, lighter weight or bulky sheet grades of aluminum and/or copper will be compacted via the use of a baler which will be located inside of the existing warehouse.

PSC's practice would be to have purchased material processed and transferred from the Cogdill Road location in a expeditious manner consistent with good business practices.

Abatement Activities:

It is PSC's intent and interest to be a good neighbor to all persons, businesses, and governmental agencies residing near the Cogdill Road property. In pursuit of doing so, PSC will engage in the following activities to assure such regard with our neighbors.

Noise:

PSC does not anticipate an increase in noise levels from current levels. It is possible that the level of noise produced as a result of daily operations may decrease as higher efficiency loading equipment is utilized and the unloading and loading areas are refined.

Dust:

The present property is primarily composed of a gravel surface material. As seasonally required, PSC may utilize environmentally permissible dust control techniques to assure that the generation of dust is kept to a minimum. These measures may include the addition of gravel and/or small stone materials, application of water, or the alteration of traffic flow patterns within the confines of the property.

Lighting:

PSC does not currently purchase or process scrap metals during non day light hours and thus does not require substantial lighting during or after our hours of operation. For security purposes, lighting may be engaged to assure the safety of the facility and/or inventory. As such, lighting if engaged would encompass the areas surrounding structures and areas of inventory storage. We do not envision any such lighting being of intensity or location as to cause concern with residents or businesses adjoining the properties.

Visibility:

It is PSC's intent to provide adequate screening of the property to assure that the property has a visually appealing presence within the community. Such screening will be in the form of opaque fencing as required under applicable ordinances, natural vegetation, and/or planned landscaping.

Hours of Operation:

PSC's initial planned hours of operation, subject to reasonable modifications, are:

Monday - Friday

7:30am - 4:00pm

Saturday

7:30am - 12:00pm

Sunday

Closed

Traffic Level & Flow:

Cogdill Road is planned as the means of ingress and egress for the property. The traffic flow pattern as specified on the site plan is designed to eliminate the potential of vehicles being congested at the entry and exit point of the property. Sufficient space exists within the confines of the property to allow us to reconfigure the traffic flow patterns as required to assure that traffic does not create a congestion area on Cogdill Road. Based on the present operation there are 50 + customers per day. That will fluctuate with the seasons and market conditions.

Security:

The facility will be secured via a perimeter fencing of the property, lighting, video surveillance, and the use of automated security systems. The security systems may include motion sensors, pressure plates, and heat sensors.

Environmental Compliance:

It is PSC's intent and mandate to be compliant with all applicable federal, state, and local environmental regulations and policies. As such, we have a staff of environmental engineers and compliance personnel that work collectively with officials from all levels of government to assure our compliance. With regard to the Cogdill Road property, we will evaluate the controls and compliance measures required for said property with the assistance of all associated levels of government agencies.