

This instrument prepared by and return to:
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Martin, Tate, Morrow & Marston, P.C.
6410 Poplar Avenue, Suite 1000
Memphis, Tennessee 38119-4843

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DESO TO COUNTY, MS
W.E. DAVIS, CH CLERK

THIRD AMENDMENT TO AND EXTENSION OF TERM LOAN AGREEMENT
(Esmark)

THIS THIRD AMENDMENT TO AND EXTENSION OF LOAN AGREEMENT (this "**Agreement**") is made and entered into this 5th of November, 2006, by and among REGIONS BANK, having its principal place of business in Memphis, Tennessee and formerly known as Union Planters Bank, National Association ("**Bank**"); and ESMARK CORP., a Tennessee corporation and formerly known as Metro Foods, Inc. ("**Borrower**"), and is joined herein by Thomas J. Mattingly and Barbara Ann F. Mattingly (each individually a "**Guarantor**" and collectively, "**Guarantors**").

RECITALS:

A. Borrower is indebted to Bank in connection with certain loan (the "**Loan**") described in that certain Term Loan Agreement dated March 8, 1999, as amended by that certain Modification and Extension Agreement dated as of March 4, 2002, and that certain Second Modification Agreement dated as of July 5, 2003 (collectively, the "**Loan Agreement**").

B. The Loan is evidenced by that certain Term Promissory Note dated March 8, 1999, in the original face amount of \$5,000,000.00 (as amended, the "**Note**"). The parties agreed, for internal accounting purposes only, to bifurcate the Loan into two loans: (i) an interest only loan in the principal amount of \$4,000,000.00 (the "**Interest Only Loan**"), and (ii) an installment loan in the principal amount of \$3,781,246.00 (the "**Installment Loan**").

C. Borrower has executed other documents, instruments and agreements pertaining to the Loan, including, *inter alia*, a Cross-Default and Cross-Pledge Agreement of record in the Chancery Court Clerk's Office, Desoto County, Mississippi (the "**Clerk's Office**"), in Book 80, Page 535, as amended by that certain Amended and Restated Cross-Default and Cross-Pledge Agreement of record in the Mississippi Secretary of State's Office (the "**Secretary's Office**") at Instrument No. Book 2402 Page 349 and that certain Land Deed of Trust (the "**Deed of Trust**") which describes certain real property located in DeSoto County, Mississippi, of record in Book 1090, Page 262, in the Clerk's Office, that certain UCC-1 financing statement filed of record in Book 1090, Page 268, that certain UCC-1 financing statement filed of record at Instrument No. 86-3-99 in the Clerk's Office, that certain UCC-1 financing statement filed of record as Instrument No. 01301522 in the Secretary's Office, and that certain UCC-1 financing statement filed of record as Instrument No. 105029740 in the Tennessee Secretary of State's Office (collectively, the "**Collateral Documents**").

MEMORANDUM

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D. Each Guarantor has executed a guaranty agreement in connection with the Loan (each a "**Guaranty Agreement**" and collectively with the Loan Agreement, the Note, and the Collateral Documents, the "**Loan Documents**").

E. Borrower has asked Bank to extend the Maturity Date of the Note, and for certain other accommodations, and Bank has agreed to do so, subject to the terms and conditions herein set forth.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed by and between the parties as follows:

1. **Recitals.** The recitals set forth above are hereby adopted as true and correct statements of fact and incorporated in the agreement portion hereof as though set forth verbatim herein. Capitalized terms not defined herein shall have the meanings assigned to such terms set forth in the Loan Documents.
2. **Extension.** The Maturity Date set forth in the Loan Documents is extended to March 5, 2008.
3. **Principal Amount.** The current face amount of the Note shall be reduced from \$7,781,246.00 to \$6,000,642.00. The principal amount will be allocated, for internal accounting purposes only, as follows: (a) \$3,999,999.00 to the Interest Only Note, and (b) \$2,000,643.00 to the Installment Loan. *— Note 900 2*
4. **Interest Rate.** The interest rate for that portion of the indebtedness attributed to the Interest Only Loan is hereby modified to be the Bank's Prime Rate minus twenty-five (25) basis points. The interest rate for that portion of the indebtedness attributed to the Installment Loan shall remain the same. *8817786 - 9002* *Note 900 1*
5. **Financial Requirements.** The financial requirements set forth on **Exhibit "A"** to the Term Loan Agreement is hereby deleted in its entirety and replaced with the **Exhibit "A"** attached hereto.
6. **Release of Guarantors.** The Guarantors are hereby released from their obligations.
7. **Modification of Loan Documents.** The Loan Documents are hereby modified to reflect the new maturity date of the Loan and to secure the Interest Only Note and the Installment Note.
8. **Borrower's Representation and Warranties.** Borrower does hereby certify, represent and warrant to Bank that all representations and warranties made by Borrower to Bank in the Note and in any other of the Loan Documents are and remain true, correct and complete in all material respects as of the date of this

Agreement and there are no existing offsets, defenses, or counterclaims to the respective obligations of Borrower as set forth in the Note or any other of the Loan Documents.

9. **Ratification.** All other terms, covenants, conditions and provisions contained in the Note and any other of the Loan Documents shall remain in full force and effect and are not modified, altered or amended in any respect. Borrower hereby ratifies, approves and confirms the continuing validity and effectiveness of the Note and any other of the Loan Documents, with said terms, covenants, conditions and provisions being incorporated herein by reference. This Agreement constitutes an extension of the Note and does not constitute a novation.
10. **No Waiver; Remedies Cumulative.** No failure or delay on the part of Bank to exercise any right or remedy under the Note or this Agreement shall operate as or constitute a waiver of such right or remedy or preclude the exercise of such right or remedy by Bank at a later time. All rights and remedies provided to Bank in the Note and under this Agreement are cumulative and not exclusive and Bank shall have, in addition to such rights and remedies provided in the Note and this Agreement, all rights and remedies available to it and provided by applicable laws.
11. **Indemnity; Costs, Expenses and Taxes.** Borrower agrees to pay to or reimburse Bank for any costs, expenses and taxes associated with the preparation, filing and recording of this Agreement. In the event of a default hereunder, Borrower shall indemnify Bank against all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees, costs and expenses, and including any court costs and any costs and expenses incurred in connection with any administrative proceedings, appeals, receiverships and/or bankruptcy proceedings) of whatsoever kind or nature incurred by Bank in connection with or relating to the collection, enforcement and/or administration of the Note, this Agreement and the Loan Documents.
12. **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of Borrower and Bank and their respective successors and permitted transferees and assigns. Notwithstanding the foregoing, Borrower may not assign or transfer any of its rights or delegate any of its duties hereunder to any other person or entity and any attempted assignment, transfer or delegation shall be deemed void and shall constitute a default hereunder. Bank may sell, assign or transfer any of its rights and delegate any of its duties hereunder to any other person or entity and may also sell any participation in this Agreement to any other person or entity. In the event of any sale, transfer, assignment or participation by Bank of any of its interest herein, Bank shall have the right to provide information with respect to Borrower, this Agreement, any promissory notes executed in connection with the line of credit, and the transactions made the subject hereof to any purchaser, assignee, transferee and/or participant.

13. **Severability.** In the event any term or provision contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the remaining terms and provisions of this Agreement and such remaining terms and provisions shall survive and remain fully valid and enforceable.
14. **Governing Law.** This Agreement and all of the Loan Documents have been entered into by the parties in the State of Tennessee and shall be governed by and construed in accordance with the laws of the State of Tennessee.
15. **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed effective as of the day and year first above written.

[SIGNATURE AND ACKNOWLEDGMENT PAGES FOLLOW]

THIRD AMENDMENT TO AND EXTENSION OF TERM LOAN AGREEMENT
(Esmark)

SIGNATURE AND ACKNOWLEDGMENT PAGE

BORROWER:

ESMARK CORP., a Tennessee corporation

By: Thomas J. Mattingly

Name: THOMAS J. MATTINGLY

Title: President

STATE OF TENNESSEE)
COUNTY OF SHELBY)

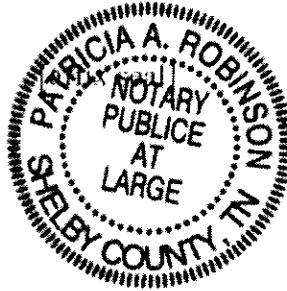
Personally appeared before me, a Notary Public in and for said state and county, duly commissioned and qualified, Thomas J. Mattingly, the within named bargainor, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that (she)he executed the within instrument for the purposes therein contained, and who further acknowledged that he is the President of Esmark Corp, the within named bargainor, a Tennessee Corporation by signing his(her) name as such President.

WITNESS my hand and notarial seal at office this 5th day of November, 2006

Patricia A. Robinson
NOTARY PUBLIC

My commission expires:

8-28-2007



THIRD AMENDMENT TO AND EXTENSION OF TERM LOAN AGREEMENT
(Esmark)

SIGNATURE AND ACKNOWLEDGMENT PAGE

BANK:

REGIONS BANK

By: [Signature]

Name: DONALD HUNT

Title: Vice President

STATE OF TENNESSEE)
COUNTY OF SHELBY)

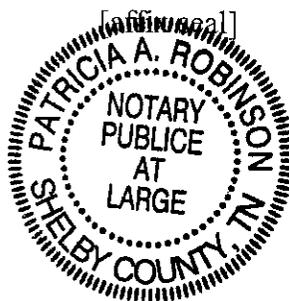
Personally appeared before me, a Notary Public in and for said state and county, duly commissioned and qualified, Donald Hunt, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that (she)he executed the within instrument for the purposes therein contained, and who further acknowledged that he is the Vice President of Regions Bank, the within named bargainer, a _____ by signing his(her) name as such Vice President

WITNESS my hand and notarial seal at office this 5th day of November, 2006.

[Signature]
NOTARY PUBLIC

My commission expires:

8-28-2007



THIRD AMENDMENT TO AND EXTENSION OF TERM LOAN AGREEMENT
(Esmark)

EXHIBIT "A"

BORROWER: Esmark Corp.

BANK: Regions Bank

Financial Ratios and Requirements:

(Effective November 5th, 2006)

1. Borrower shall have at the end of each month and on a rolling twelve-month basis a minimum consolidated Debt Service Coverage Ratio of 1.2 to 1.0. "**Debt Service Coverage Ratio**" shall be defined as consolidated year-to-date total of net profit, plus depreciation, plus interest expense, less expenses incurred for capital asset purchased (excluding financed expenses and one-time initial capital expenses for new real properties leased) divided by the total current maturities of long term debt plus interest expense.

2. Borrower shall have at the end of each month and on a rolling twelve-month basis a minimum Consolidated Leverage Ratio equal to or less than 2.25 to 1.0. "**Consolidated Leverage Ratio**" shall be defined as consolidated year-to-date total liabilities divided by Tangible Net Worth. "**Tangible Net Worth**" shall mean, on the date of which any determination with respect thereto is made, the sum of the following (i) par value of the outstanding common stock shares held in Borrower, (ii) the capital surplus and retained earnings in Borrower, and (iii) the subordinated debt less the total of (A) intangible assets (including, but not limited to, goodwill and patents) of Borrower, (B) any indebtedness owed to Borrower from any of its affiliates, and (C) the value of any shares of stock of Borrower appearing as an asset on Borrower's balance sheet.