

June 1, 2009

VIA E-MAIL and  
REGULAR MAIL (appendices to Status Report included with hard copy)

Ian Beilby, P.E.  
New York State Department of Environmental Conservation  
Division of Environmental Remediation  
Remedial Bureau B, 12th Floor  
625 Broadway  
Albany, NY 12233-7016

Dear Mr. Beilby:

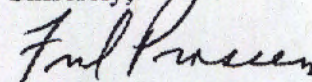
Re: ALTX, Inc. Status Report on Environmental Activities  
in Preparation for Termination of Lease at Colonie/Watervliet Leased Site

As you know, ALTX, Inc. leased and conducted manufacturing operations for a short time on a portion of the former Al Tech Steel site in the Town of Colonie near Watervliet. With oversight provided by you and your colleagues at NYSDEC, ALTX has undertaken equipment removal and cleanup activities and is planning to complete such activities over the next several weeks. As Yogesh Shukla informed you, ALTX is terminating its lease with the owner of the property, Realco, Inc. The termination will be effective as of June 18, 2009 as it pertains to "Lease Area 4" (office and parking space) and "Parcel 10" (parking space) and on or around July 31, 2009 as it pertains to "Lease Area 1" (Extrusion facilities).

Despite having lost millions of dollars during the short period it operated at this site, ALTX has continued to act responsibly in undertaking closure activities and is in compliance with its Order on Consent which it entered into with the NYSDEC in 1999 before commencing operations. The status of the closure activities is described in the enclosed Status Report on Environmental Activities at ALTX, Inc.'s Leased Facility. Attachments to the Status Report are included in the hard copy of the Report which is being mailed to you.

We thank you for your assistance throughout the closure activities and look forward to working with you over the next several weeks as the final tasks are completed. We trust that with the completion of the tasks addressed in the Status Report, the NYSDEC will be satisfied, and no additional action will be required. I would appreciate confirmation of this, and, of course, am available to discuss or meet with you to address this as we complete the closure.

Sincerely,



Fred Prossen, CFO

FP /

Enclosure

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**Status Report on Environmental Activities at ALTX, Inc.'s Leased Facility  
Town of Colonie / Watervliet  
June 1, 2009**

1. Pickle House, Pilger Mill, Removal of Tanks

As contemplated by the "Facility Closure Work Plan," prepared in January 2008 by Earth Tech, Inc., environmental activities undertaken in the first half of 2008 included the permanent closure of bulk storage tanks and certain in-line process tanks that had been used by ALTX. These activities included the permanent closure of virgin acid and waste acid aboveground storage tanks, removal of acid lines, piping and acid-bath (pickle) tanks, permanent closure of former fuel oil and cooling oil aboveground storage tanks, and the clean up of residual cooling oils and grease in and around the Pilger mill vault. Additional activities that were undertaken included the cleaning of the hydraulic room and limited soil excavation, the cleaning of two exterior slippery water tanks, the removal of oily debris from the "straightener" pit and the clean up of oily debris near the office area.

The activities were commenced by Earth Tech and completed by Environmental Remediation & Recovery, Inc. ("ER&R") which prepared a letter report entitled, "Summary of Site Activities," dated June 20, 2008 (attached as Appendix A). Materials, including virgin acid, waste acid and sludge, cooling oil, and oily water were analyzed and disposed. Other materials from other areas that had been leased and terminated earlier, such as the store room, had been removed and properly disposed previously, and other closure activities such as plugging lines also had been completed in prior years with the NYSDEC's oversight.

Appendix B includes information regarding closing out bulk storage registrations, including the facility's submittal of updated information and the subsequent letters from the NYSDEC confirming that the Chemical Bulk Storage ("CBS") registration has been updated to indicate that the CBS regulations no longer apply to the ALTX facility (letter, dated June 30, 2008) and similarly that the Petroleum Bulk Storage ("PBS") regulations no longer apply (letter, dated July 21, 2008). Appendix B also includes the facility's letter, dated December 12, 2007, cancelling the State facility air permit.

2. Wastewater Treatment Plant

In a letter, dated May 15, 2009, the NYSDEC accepted the Closure Report for the Wastewater Treatment Plant ("WWTP") which presented a closure plan for the WWTP (Appendix C includes the letter and the Closure Report). As observed by Margaret Rogers of the NYSDEC during her site visit on May 29, much of the work has been completed over the past two weeks, including the cleaning of all of the tanks indoors and one of two equalization tanks outside and the removal of lines. The remainder of the cleaning is scheduled for this week. Despite efforts to sell certain equipment, no purchaser has been identified to date, and it is likely that most, if not all, of the components of the WWTP will be left in place after the cleaning and disconnecting work is completed. Samples from the containment area and the two outside equalization tanks will be taken and analyzed for pH. If the pH remains at an acceptable level as

it has been, as discussed with Ms. Rogers, ALTX plans to create an opening in the containment area to allow water to drain rather than accumulate in the future.

As indicated in correspondence with Carol LeFay in May, ER&R is undertaking the WWTP closure work and waste from cleaning the components is being stored properly and will be disposed of through a contractor such as Clean Harbors. Proof of proper residuals management will be submitted, and the NYSDEC will be notified when all work has been completed so that a final closure inspection can be scheduled. In addition, a written request to delete the SPDES permit will be provided to the Regional Division of Environmental Permits.

3. Main Extrusion Press

The Main Extrusion Press has been removed. Various pieces of metal equipment, concrete, refuse and debris also will be removed, and the Extrusion Press pit will be cleaned, if needed (since a closed loop cooling system had been utilized, this pit is not in the same condition as the Pilger Mill pit had been).

While working in the Main Extrusion Press area, the scrap contractor disturbed potential asbestos-containing materials. In accordance with the instruction of the Town of Colonie and the New York State Department of Labor, the scrap contractor hired an asbestos abatement contractor to address potential asbestos-containing material in this area. This asbestos work is expected to be completed in mid-June, with the removal of various items referred to above and possible pit clean up to follow.

4. Storm Water Drainage

As addressed with the NYSDEC in 2007, activities conducted by others caused storm water drainage issues in the area. Nonetheless, in order to cooperate with the NYSDEC, ALTX hired Earth Tech, Inc. to address storm water drainage on the leased site, and a project work plan was approved by the NYSDEC on September 12, 2007. Following a post-construction inspection on October 1, 2007, the NYSDEC approved the completion of Phase II of the project in a letter dated October 10, 2007 (Appendix D), thanking ALTX for quickly resolving the matter and for addressing the NYSDEC's concerns in a professional manner. Subsequently, storm events damaged some components of the drainage system, the site was re-inspected with the NYSDEC, and follow-up work was performed. Please confirm our understanding that Earth Tech had submitted a Final Certification Report, that site conditions are acceptable, and that this matter is closed.

5. Miscellaneous Final Tasks

At the request of the Town of Colonie, the sewer line will be capped off, and some manholes and pits will be protected by such methods as being filled or cordoned off.