



March 7, 2011

Mr. Mike Boudloche
Chapter 7 Bankruptcy Court Trustee
555 North Carancahua, Ste. 600
Corpus Christi TX 78478

Re: Addendum to the Demolition Work Plan
Former ASARCO-Encycle Demolition Project

Mr Boudloche,

Per your e-mail correspondence received on March 25, 2011, Specialized Industrial Services (SIS) is submitting this Addendum to provide supplemental information to the existing Demolition Work Plan developed for the former ASARCO-Encycle facility. Supplemental information addressed herein includes the following:

- A Texas PE-certified design of the opening to be utilized in the base of the smokestack to allow equipment access for debris removal;
- A detailed demolition schedule, including a sequencing of events for each major building to be demolished, sequencing of friable asbestos removal, hazardous debris removal, and demolition of buildings with structural issues, and;
- Additional written detail regarding the amount of engineering design and engineering support during demolition.

Visual observation and structural integrity assessment of the smoke stack was conducted on April 1, 2011, by Gary Jaster, P.E. of Jaster-Quintanilla and Associates, Inc. to determine if there are areas of structural concern that could affect planned asbestos abatement and demolition of the stack. No structural issues associated with the stack were noted in the report which is presented in Attachment 1.

A detailed demolition schedule with the estimated sequence of events and phasing of project activities is included in Attachment 2. It is important to note that while the phasing of waste removal and demolition should remain consistent with this document, the sequencing of work activities is subject to change based on field observations, weather, and other unknown issues that may arise that are not



within the direct control of the project team. Updates to the schedule may be provided as the project progresses based on modifications to execution strategy and resultant change in demolition sequence.

With regard to engineering design and engineering support during demolition activities, the project team has several senior demolition managers with 25 years or more of experience and as such are competent individuals at conducting demolition surveys and structure assessment. However, should conditions warrant, the project team has retained the services of a structural engineering firm which can provide advanced engineering assessment as needed.

The information provided above is believed to be sufficient to address the areas of the Demolition Work Plan which were requested to be supplemented. Should additional questions arise please contact SIS directly.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ed Ramirez', is positioned below the word 'Sincerely,'.

Ed Ramirez

Enclosures: As Noted

Attachment 1



JASTER-QUINTANILLA & ASSOCIATES, INC.

CONSULTING ENGINEERS
1608 WEST SIXTH STREET SUITE 100 AUSTIN, TX 78703
512.473.9094 www.jqeng.com 512.473.9179

April 7, 2011

Mr. Brent Fleming
Specialized Industrial Services
C/O mlindstrom@energyrenewalpartners.com

**Re: Structural Integrity Assessment of Smoke Stack
Former Encycle/Texas, Inc. /ASARCO Facility (Encycle)
5500 Up River Road
Corpus Christi, Nueces County, Texas**

Dear Mr. Fleming:

As requested by Mike Lindstrom, I performed a visual observation and structural integrity assessment of the smoke stack at the former Encycle/ASARCO site on Friday, April 1, 2011.

The purpose of my observation and assessment was to determine whether there are areas of structural concern that would affect planned asbestos abatement and demolition of the stack. Mr. Julian Camacho provided access to the site and accompanied me during my visit. My observations and opinions of the structural integrity of the smoke stack are based on visual assessment only. No drawings or design calculations of any of the structural elements of any part of the above ground structure or foundation were provided. No material testing of structural components was performed and no structural element was removed, uncovered or taken apart. My assessment was made while standing on the ground surface, and without benefit of any mechanical lifts or hoists. The assessment that follows is based on reasonable and prudent observations made during my visit to the site.

The smoke stack is reportedly 315 feet tall and is located near the western most part of the referenced site. It varies in diameter from approximately 21'-4" to reportedly 8 to 10 feet at the tip (Photo 1). The exterior face of the stack is exposed concrete with alternating layers of paint coating which is in various stages of peeling. The interior face of the stack is lined with masonry with no visible concrete. There is a steel framed access hatch at the north elevation which is approximately 24" wide and 36" tall (Photo 2). The thickness of the wall of the smoke stack is approximately 32" at the access hatch (Photo 3). The steel framed access hatch is framed within a masonry opening that is approximately 55" wide and 96" tall (Photo 4). While at the site we attempted to determine the thickness of the concrete portion of the wall by removing a small portion of the brick masonry at the interior face of the smoke stack (Photo 5). We chipped approximately 4-6" but were unable to locate the concrete. Looking vertically while standing within the stack, there appears to be 7 or 8 "rings" that protrude slightly toward the inside of the stack as one looks toward the tip. There was insufficient light to determine if these rings were concrete or masonry.

At the base of the smoke stack at the south elevation is a small exterior brick masonry enclosure with a small opening through the wall of the stack (Photo 6). Slightly above the base of the stack at the east elevation is an elevated structure which penetrates through the wall of the stack (Photo 7). The opening through the stack wall is approximately 9' wide and 11' tall, and is located approximately 9' above ground elevation.

At the west elevation of the smoke stack there is evidence that a concrete core of a portion of the stack wall was taken (Photo 8). The core measures about 11½" deep. I understand the purpose of the core was for

environmental testing purposes. Visual appearance of the matrix of the concrete suggest concrete of good quality and strength. The core was taken through reinforcing which indicated 1" vertical reinforcing and 3/8" horizontal ties.

Near the southwest elevation of the smoke stack there is evidence of some thermal or temperature cracking near the base of the concrete wall (Photo 9). I do not believe this is a structural concern as it is likely related to normal shrinkage of concrete during the curing process.

At the south elevation, there is a vertical ladder consisting of bent reinforcing extending outward from the stack wall (Photo 10). Because of the highly corrosive salt air environment, I recommend that the ladder not be used during the course of the work as corrosion or weakening of the reinforcing is highly likely.

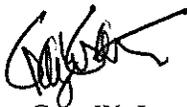
In general, I did not observe visual structural concerns with the existing smoke stack. I understand that after abatement of the exterior paint coating, the plan is to dismantle the smoke stack by from the top down removing 4 to 5 foot portions and drop them through the core within the stack. The pieces would then be removed through the opening at the north elevation at the base of the stack (Photo 2). This opening may be enlarged by removing the existing masonry filled opening that is approximately 55" wide and 96" tall. In addition, the elevated structure penetration at the east elevation (Photo 7) may be utilized to remove debris. I do not recommend removing the portion of smoke stack wall beneath that elevated penetration as that appears to consist of original concrete structure and offers a sufficient amount of structural support.

I do recommend that extreme care be taken when dropping portions of removed smoke stack to assure that debris is allowed to "free fall" without hitting the sides of the smoke stack. Placement of plywood decking or sand at the base of the core will help to dissipate the energy from the falling broken pieces. In addition, extending plywood around the core interior approximately 8 to 10 feet tall above the base will help to minimize damage to the lower portion of the stack. I also suggest that the initial removal occur on the northwest section of the stack and proceed in both directions toward the southeast or prevailing wind side. This will allow for each 4 to 5 foot layer to be removed while maintaining the strongest section of stack wall to remain in place to resist the likely direction of lateral force.

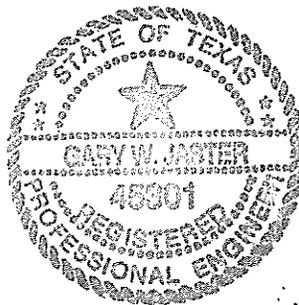
It is also important to note that this is a coastal site with exposure to high and sudden wind activity. No personnel shall work on the smoke stack when sustained wind speeds exceed tropical storm force (≥ 39 mph) and the smoke stack should be structurally reassessed if subjected to hurricane force winds (≥ 74 mph).

I hope my assessment of the structural integrity of the smoke stack is beneficial. Please call if you wish to discuss or have any questions.

Sincerely,



Gary W. Jaster, P.E.
Principal
Jaster-Quintanilla & Associates, Inc.
TBPE Firm # F323



W/Attachments



Photo 1 – View of Smoke Stack Looking North



Photo 2 – View of Access Hatch at North Elevation of Smoke Stack



Photo 3 – View of Overall Wall Thickness of Smoke Stack Taken at Access Hatch at North Elevation

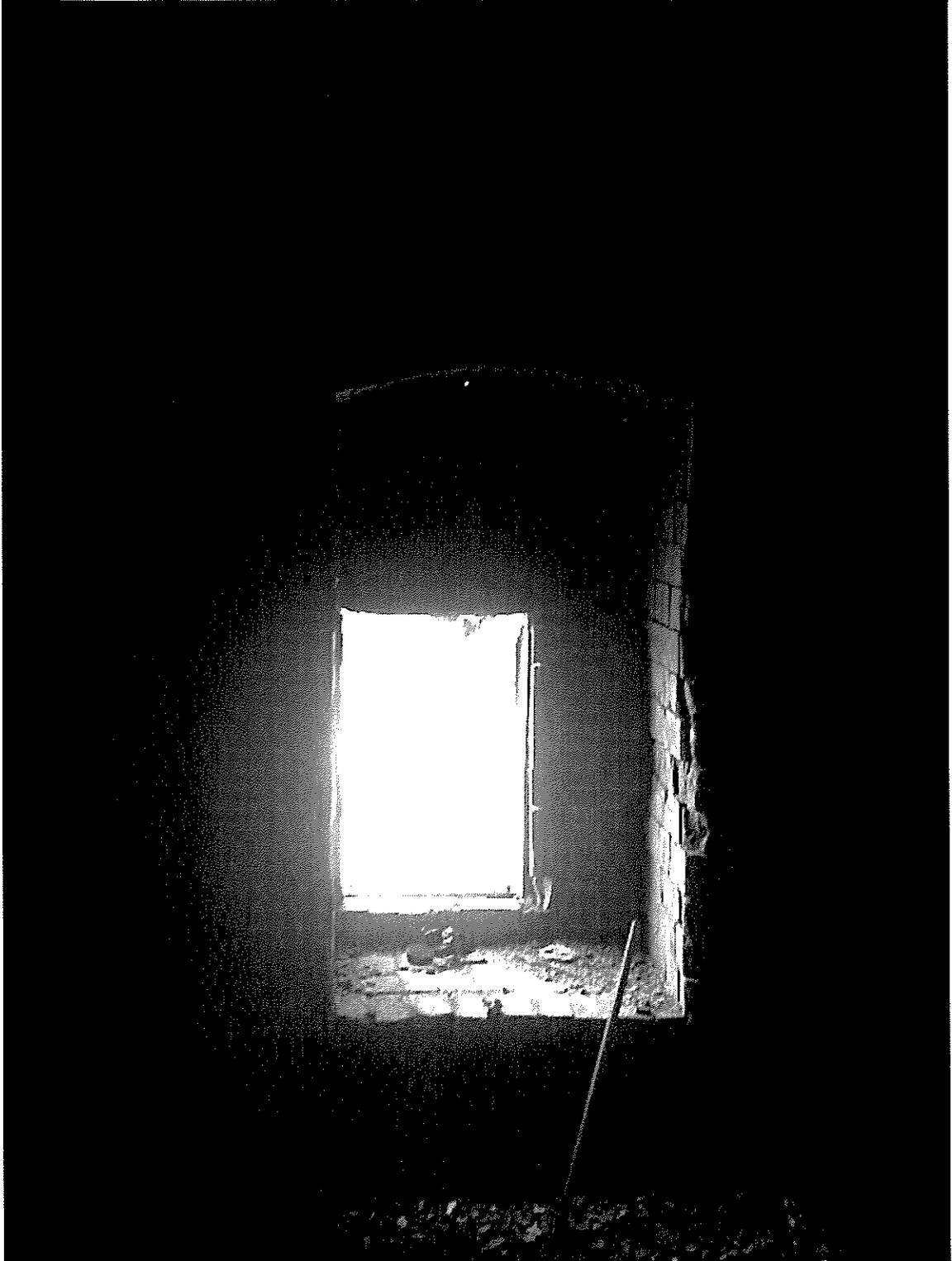


Photo 4 – View of Access Hatch at North Elevation Taken From Interior



Photo 5 – View of Northwest Corner of Access Hatch Taken From Interior



Photo 6 – View of Base of Smoke Stack Taken at South Elevation Looking North



Photo 7 – View of Elevated Structured Opening at East Wall of Smoke Stack



Photo 8 – View of Previously Taken Core of Wall at West Elevation of Smoke Stack



Photo 9 – View of Hairline Cracking Near Base of Smoke Stack at Southwest Elevation

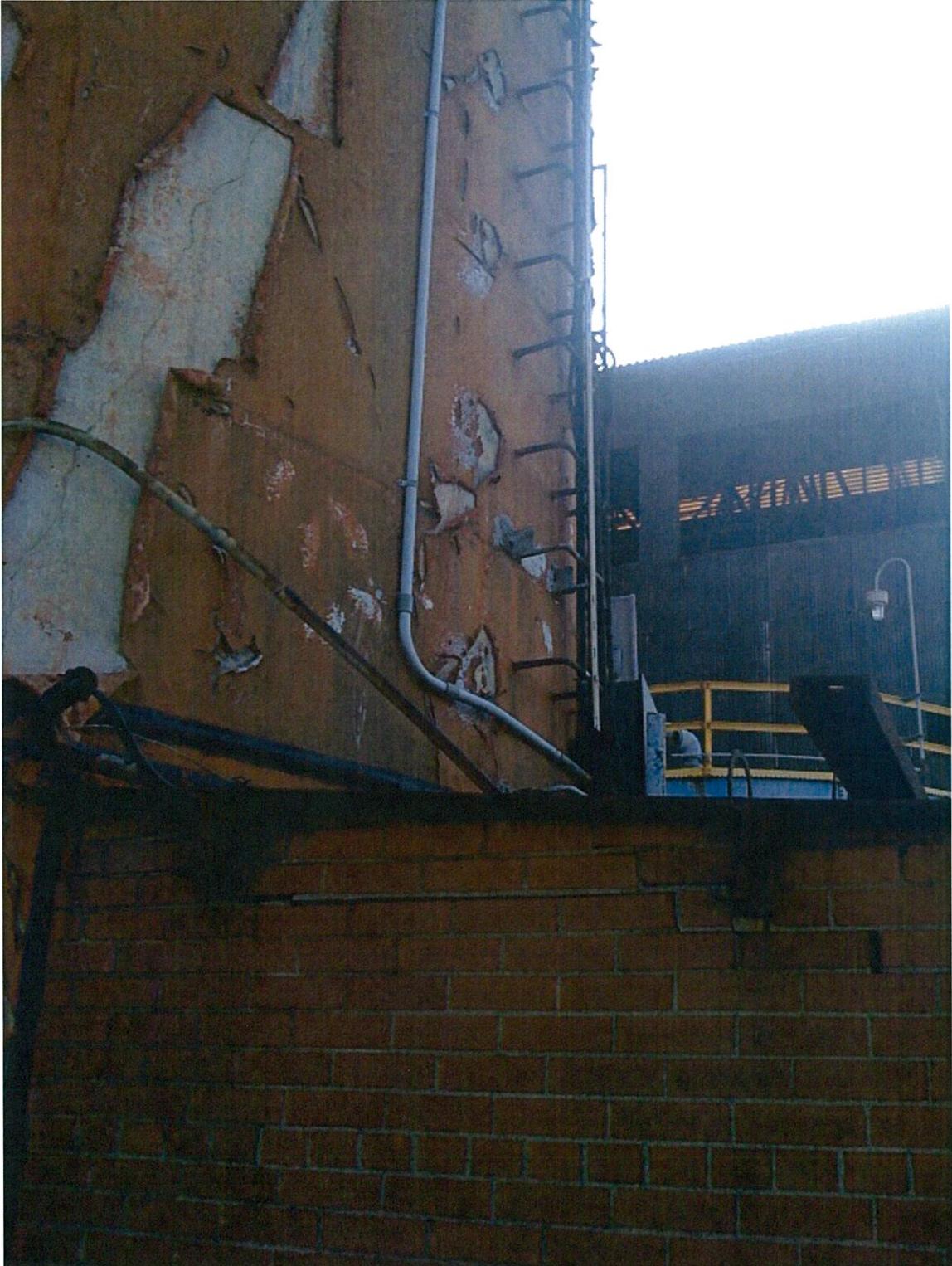


Photo 10 – View of Vertical Ladder at South Elevation of Smoke Stack

Attachment 2

Addendum 1
Work Sequence and Schedule
Former ASARCO-Encycle Demolition

Impacted Structure	Work Sequence				Scheduled Removal (by end of month)
	Phase 1	Phase 2	Phase 3	Phase 4	
	Tank Decontamination	Hazardous Waste Removal ¹	ACM Abatement ¹	Demolition	
Building 5 - East Product Storage			X	X	May-2011
Building 9 - Sanitary Wastewater Bldg		X	X	X	May-2011
Building 17 - East Bag House		X	X	X	May-2011
Building 10 - Product Storage Bins			X	X	May-2011
Building 12 - Brick Building			X		May-2011
Building 44 - Brick Building			X	X	May-2011
Building 45 - Brick Building			X	X	May-2011
Building 52 - Brick Building			X	X	May-2011
Building 19 - Substation			X	X	May-2011
Building 11 - Wastewater Treatment Building			X	X	May-2011
Building 18 - Brick Building			X		May-2011
Building 20 - Brick Building			X	X	May-2011
Building 21 - Oil House			X	X	May-2011
Building 24 - West Bag House		X	X	X	May-2011
Building 28 - Reagent Storage Building			X	X	May-2011
Building 13 - Yard Offices			X	X	May-2011
Building 29 - Brick Building			X	X	May-2011
Building 30 - Brick Building			X	X	May-2011
Building 32 - Zinc Building			X	X	May-2011
Building 33 - Lunch Room			X	X	May-2011
Building 34 - MCC L&M			X	X	May-2011
Building 27 - South Reagent Storage Building			X	X	May-2011
Building 7 - Old Casting Building		X	X	X	Jun-2011
Building 1 - Facility 1	X	X	X	X	Jul-2011
Building 16 - East Cell House - Unsound Structure ²		X	X	X	Aug-2011
Building 26 - West Cell House - Unsound Structure ²		X	X	X	Sep-2011
Smokestack		X	X	X	Sep-2011
Building 25 - Power House		X	X	X	Nov-2011

Addendum 1
Work Sequence and Schedule
Former ASARCO-Encycle Demolition

	Work Sequence				Scheduled Removal (by end of month)
	Phase 1	Phase 2	Phase 3	Phase 4	
Impacted Structure	Tank Decontamination	Hazardous Waste Removal ¹	ACM Abatement ¹	Demolition	
Building 2 - Facility 2 - East Half - Unsound Structure ²	X	X	X	X	Nov-2011
Building 36 - Reagent Storage		X	X	X	Nov-2011
Building 3 - Facility 3		X	X	X	Dec-2011
Building 4 - Facility 4		X	X	X	Dec-2011
Building 14 - Lettered Bins Building - No Demo					NA
Building 47 - Change House/Guard House - No Demo					NA
Building 51 - Warehouse Storage Building - No Demo					NA
Building 46 - Admin Building and Lab - No Demo					NA
Non-Impacted Structure					
Building 6 - Product Storage				X	Apr-2011
Building 8 - Hazardous Waste Storage				X	Apr-2011
Building 15 - Plant Engineering				X	Apr-2011
Building 22 - Metal Building				X	Apr-2011
Building 23 - Metal Building				X	Apr-2011
Building 31 - Spill Sorbent Storage				X	Apr-2011
Building 35 - Scale House				X	Apr-2011
Building 37 - MCC 29D				X	Apr-2011
Building 38 - Brick Building				X	Apr-2011
Building 39 - Substation				X	Apr-2011
Building 40 - Substation				X	Apr-2011
Building 41 - Lab				X	May-2011
Cooling Towers				X	May-2011
Building 43 - Brick Building				X	May-2011
Water Tower				X	May-2011

Notes:

1. Hazardous waste removal and ACM abatement may be concurrent.
2. Structure unsound, waste removal may be concurrent with demolition for worker safety.
3. Phase 2 hazardous waste removal will be conducted to extent possible prior to the 2011 hurricane season.