

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION

IN RE: _____ § **Case No. 05-21207**
_____ §
ASARCO LLC, et al. _____ § **Chapter 11**
_____ §
Debtors. _____ § **(Jointly Administered)**
_____ §
_____ §

IN RE: _____ § Case No. 05-21207
_____ §
ASARCO LLC, et al. _____ § Chapter 11
_____ §
Debtors. _____ § (Jointly Administered)
_____ §
_____ §

PARENT'S AND AMC'S ~~FIRST~~SECOND AMENDED PLAN OF
REORGANIZATION FOR ASARCO LLC, SOUTHERN PERU HOLDINGS,
LLC, AR SACATON, LLC, AND ASARCO MASTER, INC. UNDER
CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE

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~~Dated: September 20, 2008~~

Dated: September 25, 2008

INJUNCTIONS

This plan of reorganization provides, in certain circumstances, for the issuance of a channeling injunction regarding asbestos claims and demands asserted against the ASARCO Protected Parties, *see* Article 12.3(a), and the issuance of an injunction in favor of Settling Asbestos Insurance Companies, *see* Article 12.3(b).

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EXHIBITS TO THE PLAN

<u>Exhibit Designation</u>	<u>Exhibit Title</u>
<u>Plan Exhibit 1</u>	<u>List of ASARCO Protected Non-Debtor Affiliates</u>
<u>Plan Exhibit 2</u>	<u>List of Executory Contracts and Unexpired Leases to be Rejected Under the Plan</u>
<u>Plan Exhibit 3</u>	<u>Form of Plan Administration Agreement</u>
<u>Plan Exhibit 4</u>	<u>Form of Environmental Liquidation Trust Agreement</u>
<u>Plan Exhibit 5</u>	<u>List of Asbestos Insurance Policies</u>
<u>Plan Exhibit 6</u>	<u>Form of AMC Guaranty</u>
<u>Plan Exhibit 7</u>	<u>Lists of Class 7 Previously Settled Environmental Claims and Class 8 Miscellaneous Environmental Claims</u>
<u>Plan Exhibit 8</u>	<u>Schedule of Designated Properties</u>
<u>Plan Exhibit 9</u>	<u>Schedule of Owned Strategic Properties</u>
<u>Plan Exhibit 10</u>	<u>Schedule of Released Litigation</u>
<u>Plan Exhibit 11</u>	<u>List of Plan Sponsor Affiliates</u>

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~~Plan Exhibit 10~~

~~Schedule of Released Litigation~~

MTH&M DRAFT 8/20/2008

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PARENT'S COMPETING PLAN

ASARCO Incorporated (the "Parent") and Americas Mining Corporation ("AMC") and together with the Parent, the "Plan Sponsors") respectfully propose the following joint plan of reorganization (the "Plan") for ASARCO LLC, Southern Peru Holdings, LLC, AR Sacaton, LLC and ASARCO Master, Inc. (together, the "Reorganizing Debtors"), pursuant to section 1121(a) of the Bankruptcy Code.

ARTICLE I

DEFINITIONS, RULES OF INTERPRETATION, AND COMPUTATION OF TIME

1.1 Defined Terms. Capitalized terms used in the Plan have the meanings set forth in the Uniform Glossary of Defined Terms for Plan Documents (the "Glossary"), which is **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Plan which are not defined in the Glossary but which are defined in the Bankruptcy Code shall have the respective meanings specified in the Bankruptcy Code.

1.2 Rules of Interpretation. Unless otherwise provided herein for purposes of the Plan: (a) whenever it is appropriate from the context, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) any reference in the Plan to a contract, instrument, release, or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions; (c) any reference in the Plan to an existing document or exhibit filed or to be filed means such document or exhibit, as it may have been or may be amended, modified, or supplemented pursuant to the Plan; (d) any reference to any Entity as a holder of a Claim includes that Entity's successors and assigns; (e) all references in the Plan to sections, articles, and exhibits are references to sections, articles, and exhibits of or to the Plan; (f) the words "herein," "hereof," "hereunder," "hereto" and others of similar import refer to the Plan in its entirety rather than to a particular portion of the Plan; (g) captions and headings to articles and sections are inserted for convenience of reference only and are not intended to be a part of, or to affect the interpretation of, the Plan; and (h) the rules of construction set forth in section 102 of the Bankruptcy Code will apply. Notwithstanding anything in the Plan to the contrary, any Claim against any Reorganizing Debtor asserted by an Affiliate of any Reorganizing Debtor shall be deemed disallowed in its entirety upon entry of the Confirmation Order.

1.3 Computation of Time. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) will apply.

ARTICLE II

TREATMENT OF ADMINISTRATIVE CLAIMS,
PRIORITY TAX CLAIMS, AND DEMANDS

2.1 Administrative Claims. Each holder of an Allowed Administrative Claim (except any holder that agrees to other, lesser treatment) shall be Paid in Full, in Cash, in full

satisfaction, settlement, release, extinguishment, and discharge of such Claim, on the later of the Effective Date or the date on which such Administrative Claim becomes an Allowed Claim; *provided*, however, that (a) Allowed Administrative Claims representing (1) post-petition liabilities incurred in the ordinary course of business by the applicable Reorganizing Debtor or (2) post-petition contractual liabilities arising under loans or advances to the applicable Reorganizing Debtor, whether or not incurred in the ordinary course of business, shall be paid in accordance with the terms and conditions of the particular transactions relating to such liabilities and any agreements relating thereto; and (b) the Allowed Administrative Claims of Professional Persons shall be paid pursuant to a Final Order of the Bankruptcy Court. Chase shall receive the Allowed Amount of any Administrative Claim under the Credit Facility in Cash, on the Effective Date, in full satisfaction, settlement, release, extinguishment, and discharge of such Claim. The Settled Asbestos Insurance Companies shall each have an Allowed Administrative Claim for the Pre-524(g) Indemnity, in accordance with the terms and conditions of the Asbestos Insurance Settlement Agreement.

Any Administrative Claims of the United States or the any individual state under civil Environmental Laws relating to the Designated Properties shall be addressed through the Environmental Liquidation Trust, as provided in Article 8.1 of the Plan.

2.2 Priority Tax Claims. Each holder of an Allowed Priority Tax Claim (except any holder that agrees to other, lesser treatment), at the election of the Plan Sponsors, shall (1) be Paid in Full, in full satisfaction, settlement, release, extinguishment, and discharge of such Claim, on the later of the Effective Date or the date upon which such Priority Tax Claim becomes an Allowed Claim, or (2) receive treatment in any other manner such that its Allowed Priority Tax Claim shall not be impaired pursuant to section 1124 of the Bankruptcy Code, including payment in accordance with the provisions of section 1129(a)(9)(C) of the Bankruptcy Code.

2.3 Demands. If the Section 524(g) Treatment goes into effect, as set forth in Article 4.2(e) of the Plan, Demands shall be included in the Section 524(g) Treatment accorded to Class 5 Asbestos Personal Injury Claims, and shall be determined, processed, liquidated and paid pursuant to the terms and conditions of the Section 524(g) Trust Distribution Protocol and the Section 524(g) Trust Agreement. ~~If the Section 524(g) Treatment does not go into effect, Demands shall not be affected by the Plan and shall remain liabilities of the applicable Reorganized Debtor with additional recourse to the AMC Guaranty.~~

If the Section 524(g) Treatment does not go into effect, Demands shall not be affected by the Plan and shall remain liabilities of the applicable Reorganized Debtor. The Reorganized Debtors shall have the right to challenge the allowance of any Demand on any ground available in applicable law or agreements. In that event, when a Demand has been resolved by an order of a court of competent jurisdiction which order has not been stayed or settlement approved by the Reorganized Debtors, such Demand will be paid out of the Disputed Claims Reserve, and shall remain a liability of the Reorganized Debtors, with additional recourse to the AMC Guaranty.

The FCR is entitled to make an election regarding whether to accept or reject the Section 524(g) Treatment.

ARTICLE III

CLASSIFICATION OF CLAIMS AND INTERESTS

3.1 Generally. Pursuant to section 1122 of the Bankruptcy Code, Claims and Interests, other than Administrative Claims and Priority Tax Claims, shall be divided into the Classes set forth in Article 3.2 of the Plan. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in a different Class to the extent that the Claim or Interest is within the description of that different Class.

3.2 Classes. The following constitute the Classes of Claims and Interests addressed by the Plan. All Classes of Claims shall be deemed divided into Subclasses (or, in the case of Subclasses 9A and 9B, into sub-Subclasses) of Claims against each of the Reorganizing Debtors.

(a) Class 1 – Priority Claims. Class 1 consists of all Priority Claims against each of the Reorganizing Debtors.

(b) Class 2 – Secured Claims. Class 2 consists of all Secured Claims against each of the Reorganizing Debtors.

(c) Class 3 – Trade and General Unsecured Claims. Class 3 consists of all Trade and General Unsecured Claims against each of the Reorganizing Debtors.

(d) Class 4 – Bondholders' Claims. Class 4 consists of all Bondholders' Claims against each of the Reorganizing Debtors.

(e) Class 5 – Asbestos Personal Injury Claims. Class 5 consists of all Asbestos Personal Injury Claims against each of the Reorganizing Debtors.

(f) Class 6 – Toxic Tort Claims. Class 6 consists of all Toxic Tort Claims against each of the Reorganizing Debtors.

(g) Class 7 – Previously Settled Environmental Claims. Class 7 consists of all Previously Settled Environmental Claims against each of the Reorganizing Debtors.

(h) Class 8 – Miscellaneous Environmental Claims. Class 8 consists of all Miscellaneous Environmental Claims against each of the Reorganizing Debtors.

(i) Class 9 – Reinstated Environmental Claims. Class 9 consists of all Reinstated Environmental Claims against each of the Reorganizing Debtors.

(j) Class 10 – Late-Filed Claims. Class 10 consists of all Late-Filed Claims against each of the Reorganizing Debtors.

(k) Class 11 – Subordinated Claims. Class 11 consists of all Subordinated Claims against each of the Reorganizing Debtors.

(l) Class 12 – Interests in ASARCO. Class 12 consists of all Interests in ASARCO.

(m) Class 13 – Interests in the Reorganizing Subsidiaries. Class 13 consists of all Interests in each of the Reorganizing Subsidiaries.

ARTICLE IV

TREATMENT OF CLAIMS AND INTERESTS

Claims and Interests shall be treated in the manner set forth in this Article IV.

4.1 Unclassified Claims. Each holder of an Allowed Administrative Claim, an Allowed Priority Tax Claim, or a Demand shall receive the treatment set forth respectively for each such category in Article II of the Plan.

4.2 Classes of Claims and Interests.

(a) *Class 1 – Priority Claims.*

Each holder of an Allowed Priority Claim (except any holder that agrees to other, lesser treatment) shall be Paid in Full, on the later of the Effective Date or the date on which such Priority Claim becomes an Allowed Claim.

~~This Class is unimpaired. Holders~~The Bankruptcy Court has determined that all Classes of creditors shall be solicited with respect to the Plan but has not determined whether any Class is impaired or unimpaired under the Plan. If this Class is found to be unimpaired, which the Plan Sponsors believe it is, the holders of Priority Claims in Class 1 are presumed to have accepted the Plan and, accordingly, are not entitled to vote on the Plan.shall have been presumed to accept the Plan and their ballots shall not have any effect. If this Class is found to be impaired, the ballots cast by the holders of Priority Claims in Class 1 shall be used to determine whether Class 1 accepts or rejects the Plan in accordance with Section 1126 of the Bankruptcy Code.

(b) *Class 2 – Secured Claims.*

Each holder of an Allowed Secured Claim, at the election of the Plan Sponsors, in full satisfaction, settlement, release, extinguishment and discharge of such Claim, shall (1) be Paid in Full on the later of the Effective Date or the date on which such Secured Claim becomes due in the ordinary course, (2) be Reinstated, or (3) receive from the applicable Reorganized Debtor all Collateral securing such Allowed Secured Claim.

Any holder of an Asbestos Personal Injury Claim with a Lien against any property of the Reorganizing Debtors other than proceeds of an Asbestos Insurance Policy shall retain the Lien securing such Claim, subject to the Plan Sponsors' election in this Article 4.2(b). If the Section 524(g) Treatment goes into effect, Asbestos Personal Injury Claims which are secured by Liens against proceeds of an Asbestos Insurance

Policy shall be included in the treatment accorded Class 5 Asbestos Personal Injury Claims, as set forth in Articles 4.1 and 4.2(e) of this Plan, and shall be determined, processed, liquidated, and paid pursuant to the terms and conditions of the Section 524(g) Trust Distribution Protocol and the Section 524(g) Trust Agreement; provided, however, that the Section 524(g) Trust may assert any rights (including avoidance rights), defenses (including affirmative defenses) and objections that the Reorganizing Debtors have against such Claims, which rights, defenses, and objections are transferred to the Section 524(g) Trust pursuant to the Plan.

Each Secured Claim shall be deemed to be in a separate sub-Class of Class 2 for all purposes hereunder.

The Plan Sponsors shall make their election prior to the Confirmation Hearing. ~~This Class is unimpaired. Holders~~The Bankruptcy Court has determined that all Classes of creditors shall be solicited with respect to the Plan but has not determined whether any Class is impaired or unimpaired under the Plan. If this Class is found to be unimpaired, which the Plan Sponsors believe it is, the holders of Secured Claims in Class 2 ~~are presumed to have accepted the Plan and, accordingly, are not entitled to vote on the Plan~~shall have been presumed to accept the Plan and their ballots shall not have any effect. If this Class is found to be impaired, the ballots cast by the holders of Secured Claims in Class 2 shall be used to determine whether Class 2 accepts or rejects the Plan in accordance with Section 1126 of the Bankruptcy Code.

(c) *Class 3 – Trade and General Unsecured Claims.*

Each holder of an Allowed Trade and General Unsecured Claim (except any holder that agrees to other, lesser treatment) shall be Paid in Full, in full satisfaction, settlement, release, extinguishment and discharge of such Claim, on the later of the Effective Date or the date on which such Trade and General Unsecured Claim becomes an Allowed Claim.

~~This Class is unimpaired. Holders~~The Bankruptcy Court has determined that all Classes of creditors shall be solicited with respect to the Plan but has not determined whether any Class is impaired or unimpaired under the Plan. If this Class is found to be unimpaired, which the Plan Sponsors believe it is, the holders of Trade and General Unsecured Claims in Class 3 ~~are~~shall have been presumed to ~~have accepted the Plan and, accordingly, are not entitled to vote on the Plan.~~accept the Plan and their ballots shall not have any effect. If this Class is found to be impaired, the ballots cast by the holders of Trade and General Unsecured Claims in Class 3 shall be used to determine whether Class 3 accepts or rejects the Plan in accordance with Section 1126 of the Bankruptcy Code.

(d) *Class 4 – Bondholders' Claims.*

Each holder of an Allowed Bondholders' Claim, at the election of the Plan Sponsors, in full satisfaction, settlement, release, extinguishment and discharge of such Claim, shall (1) be Reinstated on the Effective Date, or (2) be Paid in Full, on the later of

the Effective Date or the date on which such Bondholders' Claim becomes an Allowed Claim.

~~The Plan Sponsors shall make their election prior to the Confirmation Hearing.~~

~~This Class is unimpaired. Holders of Bondholders' Claims in Class 4 are presumed to have accepted the Plan and, accordingly, are not entitled to vote on the Plan.~~

In addition, on account of the Allowed Bondholders' Claims, the Indenture Trustees shall be entitled to receive, on the Effective Date, Cash in an amount equal to the Indenture Trustee Fee Claims subject to the condition that, on or before November 17, 2008, the Plan Sponsors receive from the Indenture Trustees statement(s) of their respective Indenture Trustee Fee Claims incurred through such date and projected to be incurred through the Effective Date, together with such detail as may be reasonably requested by the Plan Sponsors. Subject to the receipt of such statement(s), the Plan Sponsors, the Reorganizing Debtors, Reorganized Debtors, or the Plan Administrator, as appropriate, shall pay, on the Effective Date, the Indenture Trustee Fee Claims, in full, in Cash. Notwithstanding the foregoing, to the extent that the Plan Sponsors dispute any portion of the Indenture Trustee Fee Claims, prior to the Effective Date the Plan Sponsors shall file with the Bankruptcy Court and serve on the appropriate Indenture Trustee an objection to such Indenture Trustee Fee Claim stating with specificity the Plan Sponsors' objections to such Indenture Trustee Fee Claim. On the Effective Date, the Plan Sponsors, the Reorganizing Debtors, Reorganized Debtors or Plan Administrator, as appropriate, shall reserve an amount equal to the amount of disputed Indenture Trustee Fee Claims and such dispute shall be consensually resolved by the parties or presented to the Bankruptcy Court for adjudication. The Indenture Trustees reserve the right to assert whatever fees and expenses they believe in good faith should be Allowed as Indenture Trustee Fee Claims, and the Plan Sponsors, the Reorganizing Debtors, Reorganized Debtors, and Plan Administrator reserve the right to object to any such amounts on any applicable grounds.

Subject to the payment of the non-disputed portion of the Indenture Trustee Fee Claims and the establishment of the reserve with respect to any disputed portion of the Indenture Trustee Fee Claims, and the payment of all other fees and expenses (including fees and expenses of its counsel and other professionals) incurred by the Indenture Trustees in administering distributions to the holders of the Bonds or responding to any objection by the Plan Sponsors to an Indenture Trustee Fee Claim, to the extent payment of the foregoing fees and expenses is permitted by the Indentures, all Charging Liens of the Indenture Trustees in any distributions shall be forever released and discharged. In the event that the instruments issued under any applicable Indenture are not reinstated, once the applicable Indenture Trustee has completed performance of all of its duties set forth in the Plan or in connection with any distributions to be made under the Plan, if any, such Indenture Trustees, and their successors and assigns, shall be relieved of all obligations as Indenture Trustee under the applicable Indenture effective as of the Effective Date.

To the extent that pre-payment damages or penalties are part of the Allowed Bondholder Claims, such amounts shall be treated as provided above.

The Bankruptcy Court has determined that all Classes of creditors shall be solicited with respect to the Plan but has not determined whether any Class is impaired or unimpaired under the Plan. If this Class is found to be unimpaired, which the Plan Sponsors believe it is, the holders of Bondholders' Claims in Class 4 shall have been presumed to accept the Plan and their ballots shall not have any effect. If this Class is found to be impaired, the ballots cast by the holders of Bondholders' Claims in Class 4 shall be used to determine whether Class 4 accepts or rejects the Plan in accordance with Section 1126 of the Bankruptcy Code; *provided*, however, that any accepting vote of a holders of a Class 4 Claim shall be deemed to have voted in favor only of the cash-out option and shall not be deemed to be an acceptance of a Reinstatement of such Claim. Such an acceptance does not prejudice, estop or limit any Bondholder's right to object to Reinstatement or any other treatment other than the cash-out option.

(e) *Class 5 – Asbestos Personal Injury Claims.*

Holders of Asbestos Personal Injury Claims ~~will~~shall receive one of three possible treatments under the Plan: (i) Section 524(g) Treatment (as described below), if the Section 524(g) Treatment is accepted by at least 75% in number of the holders of Asbestos Personal Injury Claims actually ~~making the election~~voting and by the FCR; (ii) Primary Asbestos Treatment (as described below), if the Section 524(g) Treatment does not go into effect; or (iii) Alternative Asbestos Treatment (as described below), if the Section 524(g) Treatment does not go into effect and the Bankruptcy Court finds that the Primary Asbestos Treatment does not leave the holders of Asbestos Personal Injury Claims Unimpaired.

(i) *Section 524(g) Treatment.* If the Section 524(g) Treatment described in this subsection is accepted by at least 75% in number of the holders of Asbestos Personal Injury Claims actually ~~making the election~~voting and by the FCR, then, on the Effective Date, or as soon thereafter as the Bankruptcy Court establishes the aggregate amount of consideration necessary to satisfy the requirements of section 524(g) of the Bankruptcy Code, the Section 524(g) Trust shall be established and funded with the Section 524(g) Trust Assets, and liability of the Reorganizing Debtors for all Asbestos Personal Injury Claims and Demands shall be assumed by, and channeled to, the Section 524(g) Trust without further act or deed, and satisfied as set forth herein. The Section 524(g) Trust is described in Article VI below. All Asbestos Personal Injury Claims and Demands shall be processed, liquidated and paid pursuant to the terms and provisions of the Section 524(g) Trust Distribution Protocol and the Section 524(g) Trust Agreement. While funds sufficient to fund the Section 524(g) Trust ~~will~~shall be transferred to the Plan Administrator on the Effective Date, such funds ~~will~~shall not be transferred to the Section 524(g) Trust until such time as there is a Final Order determining the amount of consideration necessary to fund the Section 524(g) Trust. The sole recourse of the holder of an Asbestos Personal Injury Claim or Demand shall be to the Section 524(g) Trust and the Section 524(g) Trust Distribution Protocol, and such holder shall have no rights whatsoever at any time to assert such holder's Claim or

Demand against any Reorganizing Debtor, any Reorganized Debtor, or any ASARCO Protected Party. Without limiting the foregoing, on the Effective Date, all Persons shall be permanently and forever stayed, restrained and enjoined from taking any enjoined actions against any ASARCO Protected Party (or the property or interest in property of any ASARCO Protected Party) for the purpose of, directly or indirectly, collecting, recovering, or receiving payment of, on or with respect to any Asbestos Personal Injury Claim or Demand (the foregoing treatment, the “Section 524(g) Treatment”).

(ii) *Primary Asbestos Treatment.* In the alternative, if the Section 524(g) Treatment is accepted by less than 75% in number of the holders of Asbestos Personal Injury Claims actually ~~making the election~~voting and/or if the FCR does not accept the Section 524(g) Treatment, then, on the Effective Date, or as soon thereafter as the Bankruptcy Court establishes the aggregate amount of consideration necessary to satisfy all Asbestos Personal Injury Claims in full, the Asbestos Claims Trust shall be established and funded with the Asbestos Claims Trust Assets for the benefit of holders of Asbestos Personal Injury Claims, and all Asbestos Personal Injury Claims shall be processed, liquidated and paid pursuant to the terms and provisions of the Asbestos Claims Trust Distribution Protocol and the Asbestos Claims Trust Agreement. While funds sufficient to fund the Asbestos Claims Trust ~~will~~shall be transferred to the Plan Administrator on the Effective Date, such funds ~~will~~shall not be transferred to the Asbestos Claims Trust until such time as there is a Final Order determining the amount of consideration necessary to fund the Asbestos Claims Trust. The Asbestos Claims Trust is described in Article VII below. The Asbestos Claims Trust shall assume all liabilities of the Reorganizing Debtors with respect to all Asbestos Personal Injury Claims. Upon funding in full of the Asbestos Claims Trust, the sole recourse of the holders of Asbestos Personal Injury Claims shall be to the Asbestos Claims Trust and Asbestos Claims Trust Distribution Protocol, and such Asbestos Personal Injury Claims shall not be “Disputed Claims” for any purposes under the Plan (the foregoing treatment, the “Primary Asbestos Treatment”).

(iii) *Alternative Asbestos Treatment.* In further alternative, if the Section 524(g) Treatment is accepted by less than 75% in number of the holders of Asbestos Personal Injury Claims actually ~~making the election~~voting and/or if the FCR does not accept the Section 524(g) Treatment, and the Bankruptcy Court finds that the Primary Asbestos Treatment does not leave the holders of Asbestos Personal Injury Claims Unimpaired, then, unless the Plan Sponsors and the holder of any such Asbestos Personal Injury Claim agree to a different treatment, each Asbestos Personal Injury Claim shall be Reinstated on the Effective Date. The Reorganized Debtors shall have the right to challenge the allowance of any Asbestos Personal Injury ~~Claims~~Claim on any ground available in applicable law or agreements. When an Asbestos Personal Injury Claim has been resolved by (x) ~~Final Order~~an order of a court of competent jurisdiction that has not been stayed or (y) settlement approved by the ~~Plan Sponsors~~Reorganized Debtors, such Claim ~~shall~~will be paid out of the Disputed Claims Reserve, and shall remain a liability of the Reorganized Debtors, with additional recourse to the AMC Guaranty (the foregoing treatment, the “Alternative Asbestos Treatment”).

~~This Class is unimpaired and holders of Asbestos Personal Injury Claims in Class 5 are deemed to have accepted the Plan; however, the holders of Asbestos Personal Injury Claims in Class 5 are entitled to make an election to accept or reject the Section 524(g) Treatment.~~

The Bankruptcy Court has determined that all Classes of creditors shall be solicited with respect to the Plan but has not determined whether any Class is impaired or unimpaired under the Plan. If this Class is found to be unimpaired, which the Plan Sponsors believe it is, the holders of Asbestos Personal Injury Claims in Class 5 shall have been presumed to accept the Plan and their ballots shall not have any effect. If this Class is found to be impaired, which the FCR and Asbestos Claimants' Committee believes they are, the ballots cast by the holders of Asbestos Personal Injury Claims in Class 5 shall be used to determine whether Class 5 accepts or rejects the Plan in accordance with Section 1126 of the Bankruptcy Code. In either case, the Ballots of the holders of Asbestos Personal Injury Claims in Class 5 shall determine whether such holders accept or reject the Section 524(g) Treatment.

(f) *Class 6 – Toxic Tort Claims.*

Each holder of an Allowed Toxic Tort Claim (except any holder that agrees to other, lesser treatment) shall be Paid in Full, in full satisfaction, settlement, release, extinguishment, and discharge of such Claim, on the later of the Effective Date or the date on which such Toxic Tort Claim becomes an Allowed Claim.

~~This Class is unimpaired. Holders~~The Bankruptcy Court has determined that all Classes of creditors shall be solicited with respect to the Plan but has not determined whether any Class is impaired or unimpaired under the Plan. If this Class is found to be unimpaired, which the Plan Sponsors believe it is, the holders of Toxic Tort Claims in Class 6 ~~are~~shall have been presumed to ~~have accepted the Plan and, accordingly, are not entitled to vote on the Plan.~~accept the Plan and their ballots shall not have any effect. If this Class is found to be impaired, the ballots cast by the holders of Toxic Tort Claims in Class 6 shall be used to determine whether Class 6 accepts or rejects the Plan in accordance with Section 1126 of the Bankruptcy Code.

(g) *Class 7 – Previously Settled Environmental Claims.*

On the Effective Date, each holder of a Previously Settled Environmental Claim (except any holder that agrees to other, lesser treatment) shall be Paid in Full, in full satisfaction, settlement, release, extinguishment and discharge of such Claim as provided in the settlement agreement relating to such Claim.

~~This Class is unimpaired. Holders~~The Bankruptcy Court has determined that all Classes of creditors shall be solicited with respect to the Plan but has not determined whether any Class is impaired or unimpaired under the Plan. If this Class is found to be unimpaired, which the Plan Sponsors believe it is, the holders of Previously Settled Environmental Claims in Class 7 ~~are~~shall have been presumed to ~~have accepted the Plan and, accordingly, are not entitled to vote on the Plan.~~accept the Plan and their

ballots shall not have any effect. If this Class is found to be impaired, which the California Department of Toxic Substances Control believe it is, the ballots cast by the holders of Previously Settled Environmental Claims in Class 7 shall be used to determine whether Class 7 accepts or rejects the Plan in accordance with Section 1126 of the Bankruptcy Code.

(h) *Class 8 – Miscellaneous Environmental Claims.*

Each holder of an Allowed Miscellaneous Environmental Claim (except any holder that agrees to other, lesser treatment) shall be Paid in Full, in full satisfaction, settlement, release, extinguishment and discharge of such Claim, on the later of the Effective Date or the date on which such Miscellaneous Environmental Claim becomes an Allowed Claim. Miscellaneous Environmental Claims ~~will~~shall be liquidated by the Bankruptcy Court, unless the Bankruptcy Court determines that any such Claim must be liquidated in another forum in order to be unimpaired.

~~This Class is unimpaired. Holders~~The Bankruptcy Court has determined that all Classes of creditors shall be solicited with respect to the Plan but has not determined whether any Class is impaired or unimpaired under the Plan. If this Class is found to be unimpaired, which the Plan Sponsors believe it is, the holders of Miscellaneous Environmental Claims in Class 8 ~~are~~shall have been presumed to ~~have accepted the Plan and, accordingly, are not entitled to vote on the Plan.~~accept the Plan and their ballots shall not have any effect. If this Class is found to be impaired, which the United States and the California Department of Toxic Substances Control believe it is, the ballots cast by the holders of Miscellaneous Environmental Claims in Class 8 shall be used to determine whether Class 8 accepts or rejects the Plan in accordance with Section 1126 of the Bankruptcy Code.

(i) *Class 9 – Reinstated Environmental Claims.*

Class 9 consists of two sub-Classes of Claims.

Subclass 9A consists of Claims based on the Assumed Environmental Liabilities. Subclass 9A Claims shall be Reinstated on the Effective Date and, from and after the Effective Date, the applicable Reorganized Debtor shall assume, pay, perform and discharge when due all of its Assumed Environmental Liabilities; provided that, if the applicable Reorganized Debtor fails to so satisfy any of its Subclass 9A Claims, the applicable Claimant shall have additional recourse to the AMC Guaranty.

Subclass 9B consists of Claims of the United States or any individual state under civil Environmental Laws relating to the Designated Properties. Subclass 9B Claims shall be Reinstated on the Effective Date and shall be obligations of the Reorganized Debtors, title to the Designated Properties shall remain with the Reorganized Debtors, except that, for administrative convenience, such Claims shall be addressed and remediation conducted through the Environmental Liquidation Trust, as provided in Article 8.1 of the Plan; provided, that; if the Reorganized Debtors fail to

satisfy any of the Subclass 9B Claims, the applicable Claimant shall have additional recourse to the AMC Guaranty.

~~This Class is unimpaired. Holders~~The Bankruptcy Court has determined that all Classes of creditors shall be solicited with respect to the Plan but has not determined whether any Class is impaired or unimpaired under the Plan. If this Class is found to be unimpaired, which the Plan Sponsors believe it is, the holders of Reinstated Environmental Claims in Class 9 are presumed to have accepted the Plan and, accordingly, are not entitled to vote on the Plan shall have been presumed to accept the Plan and their ballots shall not have any effect. If this Class is found to be impaired, the ballots cast by the holders of Reinstated Environmental Claims in Class 9 shall be used to determine whether Class 9 accepts or rejects the Plan in accordance with Section 1126 of the Bankruptcy Code.

(j) *Class 10 – Late-Filed Claims.*

Each holder of an Allowed Late-Filed Claim (except any holder that agrees to other, lesser treatment) shall be Paid in Full, in full satisfaction, settlement, release, extinguishment and discharge of such Claim, on the later of the Effective Date or the date on which such Late-Filed Claim becomes an Allowed Claim.

~~This Class is unimpaired. Holders~~The Bankruptcy Court has determined that all Classes of creditors shall be solicited with respect to the Plan but has not determined whether any Class is impaired or unimpaired under the Plan. If this Class is found to be unimpaired, which the Plan Sponsors believe it is, the holders of Late-Filed Claims in Class 10 are presumed to have accepted the Plan and, accordingly, are not entitled to vote on the Plan shall have been presumed to accept the Plan and their ballots shall not have any effect. If this Class is found to be impaired, the ballots cast by the holders of Late-Filed Claims in Class 10 shall be used to determine whether Class 10 accepts or rejects the Plan in accordance with Section 1126 of the Bankruptcy Code.

(k) *Class 11 – Subordinated Claims.*

Each holder of an Allowed Subordinated Claim (except any holder that agrees to other, lesser treatment) shall be Paid in Full, in full satisfaction, settlement, release, extinguishment and discharge of such Claim, on the later of the Effective Date or the date on which such Subordinated Claim becomes an Allowed Claim.

~~This Class is unimpaired. Holders~~The Bankruptcy Court has determined that all Classes of creditors shall be solicited with respect to the Plan but has not determined whether any Class is impaired or unimpaired under the Plan. If this Class is found to be unimpaired, which the Plan Sponsors believe it is, the holders of Subordinated Claims in Class 11 are presumed to have accepted the Plan and, accordingly, are not entitled to vote on the Plan shall have been presumed to accept the Plan and their ballots shall not have any effect. If this Class is found to be impaired, the ballots cast by the holders of Subordinated Claims in Class 11 shall be used to determine

whether Class 1 accepts or rejects the Plan in accordance with Section 1126 of the Bankruptcy Code.

(l) *Class 12 – Interests in ASARCO.*

Each holder of Class 12 Interests in ASARCO shall retain 100% of its Interests in ASARCO, which Interests shall automatically convert into Interests in Reorganized ASARCO on the Effective Date.

~~This Class is unimpaired. Holders of Interests in Class 12 are presumed to have accepted the Plan and, accordingly, are not entitled to vote on the Plan.~~The Bankruptcy Court has determined that all Classes of interest holders shall be solicited with respect to the Plan but has not determined whether any Class is impaired or unimpaired under the Plan. If this Class is found to be unimpaired, which the Plan Sponsors believe it is, the holders of Class 12 Interests in ASARCO shall have been presumed to accept the Plan and their ballots shall not have any effect. If this Class is found to be impaired, the ballots cast by the holders of Class 12 Interests in ASARCO shall be used to determine whether Class 12 accepts or rejects the Plan in accordance with Section 1126 of the Bankruptcy Code.

(m) *Class 13 – Interests in the Reorganizing Subsidiaries.*

Each holder of Class 13 Interests in a Reorganizing Subsidiary shall retain 100% of its Interests in such Reorganizing Subsidiary, which Interests shall automatically convert into Interests in the applicable Reorganized Subsidiary on the Effective Date.

~~This Class is unimpaired. Holders of Interests in Class 13 are presumed to have accepted the Plan and, accordingly, are not entitled to vote on the Plan~~

The Bankruptcy Court has determined that all Classes of interest holders shall be solicited with respect to the Plan but has not determined whether any Class is impaired or unimpaired under the Plan. If this Class is found to be unimpaired, which the Plan Sponsors believe it is, the holders of Class 13 Interests in the Reorganizing Subsidiaries have been presumed to accept the Plan and their ballots shall not have any effect. If this Class is found to be impaired, the ballots cast by the holders of Class 13 Interests in the Reorganizing Subsidiaries shall be used to determine whether Class 13 accepts or rejects the Plan in accordance with Section 1126 of the Bankruptcy Code.

4.3 Claims Against Asbestos and Other Subsidiary Debtors. To the extent that the holder of any Claim against an Asbestos Subsidiary Debtor or an Other Subsidiary Debtor establishes by Final Order that it is entitled to assert such claim against any Reorganizing Debtor, such Claim shall be classified in the same Class and shall receive the same treatment set forth in the Plan for comparable Claims.

ARTICLE V

VOTING RIGHTS

~~5.1 Presumed Acceptance of Plan. Classes 1-13 are not impaired; and, pursuant to section 1126(f) of the Bankruptcy Code, the holders of Claims and Interests in such Classes are conclusively presumed to have voted to accept the Plan. However, the holders of Asbestos Personal Injury Claims in Class 5 and the FCR are entitled to make an election regarding whether to accept or reject the Section 524(g) Treatment.~~

~~5.1~~ ~~5.2~~ Cramdown. If the Bankruptcy Court determines that one or more Classes are impaired by the Plan and therefore entitled to vote, but all applicable requirements for Confirmation of the Plan are met as set forth in section 1129(a)(1) through (13) of the Bankruptcy Code *except* subsection (8) thereof, the Plan shall be treated as a request by the Plan Sponsors for Confirmation of the Plan in accordance with section 1129(b) of the Bankruptcy Code, notwithstanding the failure to satisfy the requirements of section 1129(a)(8), on the basis that the Plan is fair and equitable and does not discriminate unfairly with respect to each Class of Claims and Interests that is impaired under, and has not accepted, the Plan.

ARTICLE VI

SECTION 524(g) TRUST

The provisions of this Article VI shall apply if the Section 524(g) Treatment goes into effect.

6.1 Establishment and Purpose of the Section 524(g) Trust.

(a) On the Effective Date, or as soon thereafter as the Bankruptcy Court establishes by Final Order the aggregate amount of consideration necessary to satisfy the requirements of section 524(g) of the Bankruptcy Code, the Section 524(g) Trust shall be established in accordance with the Plan Documents. When established, the Section 524(g) Trust shall be empowered in accordance with the Plan and the Plan Documents. The Section 524(g) Trust will be a “qualified settlement fund” within the meaning of Treasury Regulation section 1.468B-1. The purposes of the Section 524(g) Trust shall be to, among other things, (a) liquidate, resolve, pay, and satisfy all Asbestos Personal Injury Claims and Demands in accordance with the Plan, the Section 524(g) Trust Distribution Protocol, the Section 524(g) Trust Agreement, and the Confirmation Order, (b) receive, preserve, hold, manage, and maximize the Section 524(g) Trust Assets for use in paying and satisfying Allowed Asbestos Personal Injury Claims and Demands in accordance with the terms of the Section 524(g) Trust Agreement, and (c) take other actions deemed by the Section 524(g) Trustees to be in the best interests of the holders of the Asbestos Personal Injury Claims and Demands, who are the sole beneficiaries of the Section 524(g) Trust.

(b) The Section 524(g) Trustees shall create an Asbestos Premises Liability Claims Fund for payment of Asbestos Premises Liability Claims and Demands. The Asbestos Premises Liability Claims Fund shall be funded with, directly or indirectly: (a) proceeds from certain Asbestos Insurance Policies that are subject to prepetition settlement agreements regarding Asbestos Premises Liability Claims and Demands; (b) additional proceeds, if any, from the Asbestos Insurance Recoveries that are applicable to Asbestos Premises Liability Claims and Demands; and (c) if necessary, an amount determined by the Asbestos Claims Trustees, in their sole discretion, to satisfy all Asbestos Premises Liability Claims and Demands,

if any, that are not subject to coverage under the prepetition settlement agreements referenced herein. Asbestos Premises Liability Claims and Demands shall be processed, liquidated and paid pursuant to the terms and provisions of the Section 524(g) Trust Distribution Protocol and the Section 524(g) Trust Agreement.

6.2 Section 524(g) Trust Agreement. The Section 524(g) Trust Agreement shall be substantially in the form of the “Asbestos Trust Agreement” attached as Exhibit 6 to the Debtors’ Plan, which contains provisions customary to documents utilized in comparable circumstances, shall differ from the Debtors’ Asbestos Trust Agreement solely to the extent necessary to conform to non-substantive differences between the Plan and the Debtors’ Plan, and any such differences shall be subject to the reasonable approval of the FCR and the Asbestos Claimants’ Committee.

6.3 Transfers and Assignments to the Section 524(g) Trust. On the Effective Date, or as soon thereafter as the Bankruptcy Court establishes by Final Order the aggregate amount of consideration necessary to satisfy the requirements of section 524(g) of the Bankruptcy Code, the Plan Administrator shall transfer and assign to the Section 524(g) Trust for the benefit of the Section 524(g) Trust Beneficiaries the Section 524(g) Trust Assets.

6.4 Control of the Asbestos Insurance Actions and Asbestos Insurance Recoveries. The right to control the Asbestos Insurance Actions and all Asbestos Insurance Recoveries, including negotiations relating thereto and settlements thereof, shall be vested in the Section 524(g) Trust on and after the Effective Date. Notwithstanding the foregoing, Reorganized ASARCO, the Plan Administrator and the Plan Sponsors shall cooperate with the Section 524(g) Trustees in pursuing the Asbestos Insurance Actions through such means, and shall provide reasonable access to personnel and books and records of Reorganized ASARCO relating to the Asbestos Insurance Actions to representatives of the Section 524(g) Trust to enable the Section 524(g) Trustees to perform the Section 524(g) Trustees’ tasks under the Section 524(g) Trust Agreement and the Plan, as is discussed below in Article 6.11 in regards to Reorganized ASARCO.

6.5 Assumption of Liabilities by the Section 524(g) Trust. Upon occurrence of the Effective Date or as soon thereafter as the Section 524(g) Trust is established, in exchange for funding in accordance with Article 6.3 of the Plan, the Section 524(g) Trust shall be deemed, without need for further action, to have assumed responsibility and liability for all Asbestos Personal Injury Claims and Demands.

6.6 Tax Matters. No election will be made to treat the Section 524(g) Trust as a grantor trust for U.S. federal income tax purposes. The Section 524(g) Trust is intended to be treated as a “qualified settlement fund” within the meaning of Treasury Regulation section 1.468B-1, and hence as a taxable entity for federal income tax purposes, and the Section 524(g) Trustees shall be the “administrators” of the Section 524(g) Trust pursuant to Treasury Regulation section 1.468B-2(k)(3). The Section 524(g) Trustees shall cause all taxes imposed on the Section 524(g) Trust to be paid using assets of the Section 524(g) Trust and shall comply with all tax reporting and withholding requirements imposed on the Section 524(g) Trust under applicable tax laws, and in particular the rules applicable to a qualified settlement fund.

6.7 Section 524(g) Trust Expenses. The Section 524(g) Trust shall pay all Section 524(g) Trust Expenses (including applicable taxes) from the Section 524(g) Trust Assets. Neither the Reorganizing Debtors, the Plan Sponsors, the Plan Administrator, nor the Reorganized Debtors shall have any obligation to pay or reimburse any Section 524(g) Trust Expenses. However, nothing shall preclude the Section 524(g) Trustees from seeking reimbursement of such expenses from any Asbestos Insurance Company.

6.8 Initial Section 524(g) Trustees. The initial Section 524(g) Trustees shall be those Persons nominated by the Asbestos Claimants' Committee and the FCR, if the Asbestos Claimants' Committee and the FCR are willing to make such nominations, or otherwise nominated by the Plan Sponsors, and designated in the Confirmation Order.

6.9 The FCR. On and after the Effective Date, Judge Robert C. Pate shall serve as the FCR, as such term is defined in the Section 524(g) Trust Agreement, and shall have and exercise the functions, rights, duties, powers and privileges provided in the Section 524(g) Trust Documents, if Judge Robert C. Pate is willing to so serve. If not, the Bankruptcy Court will appoint his replacement.

6.10 Section 524(g) Trust Advisory Committee. The initial members of the Section 524(g) Trust Advisory Committee shall be those Persons nominated by the Asbestos Claimants' Committee and the FCR, if the Asbestos Claimants' Committee and the FCR are willing to make such nominations, or otherwise nominated by the Plan Sponsors, and designated in the Confirmation Order. They shall consult with and advise the Section 524(g) Trustees regarding the administration of the Section 524(g) Trust and the liquidation and resolution of Asbestos Personal Injury Claims and Demands in accordance with the provisions of the Plan and the Section 524(g) Trust Documents.

6.11 Asbestos Books. Subject to the conditions set forth herein, the Section 524(g) Trust, through its duly authorized representatives, shall have the right, upon reasonable prior written notice to Reorganized ASARCO: (a) to have Reorganized ASARCO transfer into the Section 524(g) Trust's possession all or part of the Asbestos Books in their current condition upon request of the Section 524(g) Trust and on the condition that the Section 524(g) Trust will incur all costs and expenses of the transfer or (b) to inspect and, at the sole expense of the Section 524(g) Trust, make copies of the Asbestos Books on any Business Day and as often as may reasonably be desired; provided that, if so requested, the Section 524(g) Trust shall have entered into a confidentiality agreement satisfactory in form and substance to Reorganized ASARCO. All costs and expenses associated with the storage of and access to the Asbestos Books shall be the responsibility of, and paid by, the Section 524(g) Trust. Reorganized ASARCO, the Plan Administrator and the Plan Sponsors shall cooperate with the Section 524(g) Trust in transferring or providing access to the Asbestos Books in their current condition, and shall also provide reasonable access to necessary or appropriate personnel and the Asbestos Books as contemplated herein. Subject to the conditions set forth herein, the Section 524(g) Trust, through its duly authorized representatives, shall also have the right, upon reasonable prior written notice, to conduct reasonable interviews of employees and other representatives of Reorganized ASARCO concerning matters reasonably related to the Asbestos Books. Reorganized ASARCO shall provide the Section 524(g) Trust with advance notice of any proposed disposition of any of the Asbestos Books and a reasonable opportunity to segregate and

remove such Asbestos Books as the Section 524(g) Trust may select. If the Section 524(g) Trust obtains from Reorganized ASARCO or its representatives any documents or communications (whether written or oral) to which any attorney-client, work-product privilege or other privilege or immunity attaches, the Section 524(g) Trust shall be deemed an agent of the privilege holder for purposes of preserving the privilege, shall be required to take all reasonable steps to maintain any such privilege, and may not waive any such privilege without the consent of Reorganized ASARCO. Production of materials to the Section 524(g) Trust does not constitute a waiver or an impairment of any privilege held by Reorganized ASARCO or ASARCO. In the event that any third party challenges any such privilege, Reorganized ASARCO may seek protection from a court of competent jurisdiction. References in this Article 6.11 to Reorganized ASARCO shall also include its successors in interest.

6.12 Cooperation with Respect to Insurance Matters. Reorganized ASARCO and the Plan Sponsors shall cooperate with the Section 524(g) Trust and use commercially reasonable efforts to take or cause to be taken all appropriate actions and to do or cause to be done all things necessary or appropriate to effectuate all transfers and assignments identified herein to the Section 524(g) Trust. By way of enumeration and not of limitation, Reorganized ASARCO and ASARCO each shall be obligated, without limitation, (a) to provide the Section 524(g) Trust with copies of insurance policies and settlement agreements included within or relating to the Asbestos Personal Injury Claims and Demands; (b) to provide the Section 524(g) Trust with information necessary or helpful to the Section 524(g) Trust in connection with its efforts to obtain insurance coverage for the Asbestos Personal Injury Claims and Demands as well as other recoveries including, without limitation, recoveries of extracontractual damages; (c) to execute assignments or allow the Section 524(g) Trust to pursue claims in its own name (subject to appropriate disclosure of the fact that the Section 524(g) Trust is doing so and the reasons why it is doing so), including by means of arbitration, alternative dispute resolution proceedings or litigation, to the extent necessary or helpful to the efforts of the Section 524(g) Trust to obtain insurance coverage for the Asbestos Personal Injury Claims and Demands as well as other recoveries, including, without limitation, recoveries of extracontractual damages; and (d) to pursue and recover insurance coverage for the Asbestos Personal Injury Claims and Demands as well as other recoveries, including, without limitation, recoveries of extracontractual damages, in its own name or right to the extent that any or all of the transfers and assignments identified herein are not able to be fully effectuated, with any and all recoveries therefrom to be turned over to the Section 524(g) Trust. The Section 524(g) Trust shall be obligated to compensate Reorganized ASARCO and ASARCO for all costs and expenses reasonably incurred in connection with providing assistance to the Section 524(g) Trust under this Article 6.12, including, without limitation, out-of-pocket costs and expenses, consultant fees and attorneys' fees.

6.13 Indemnification by the Section 524(g) Trust.

(a) The Section 524(g) Trust shall indemnify, defend (and, where applicable, pay the defense costs for), and hold harmless each of the ASARCO Protected Parties from any and all liabilities associated with an Asbestos Personal Injury Claim or Demand that a third party seeks to impose upon any of the ASARCO Protected Parties, or that are imposed upon any of the ASARCO Protected Parties.

(b) In the event that the Section 524(g) Trust makes a payment to any of the ASARCO Protected Parties hereunder, and the liability on account of which such payment was made is subsequently diminished, either directly or through a third-party recovery, the applicable ASARCO Protected Party shall promptly repay the Section 524(g) Trust the amount by which the payment made by the Section 524(g) Trust exceeds the actual cost of such indemnified liability.

ARTICLE VII

ASBESTOS CLAIMS TRUST

The provisions of this Article VII shall apply if the Section 524(g) Treatment does not go into effect, and the Bankruptcy Court does not otherwise find that the Primary Asbestos Treatment leaves holders of Asbestos Personal Injury Claims Impaired.

7.1 Establishment and Purpose of the Asbestos Claims Trust. On the Effective Date, or as soon thereafter as the Bankruptcy Court establishes the aggregate amount of consideration necessary to satisfy all Asbestos Personal Injury Claims in full, the Asbestos Claims Trust shall be established and empowered in accordance with the Plan Documents. The Asbestos Claims Trust will be a “qualified settlement fund” within the meaning of Treasury Regulation section 1.468B-1. The purposes of the Asbestos Claims Trust shall be to, among other things, (a) liquidate, resolve, pay, and satisfy all Asbestos Personal Injury Claims in accordance with the Plan, the Asbestos Claims Trust Distribution Protocol, the Asbestos Claims Trust Agreement, and the Confirmation Order, (b) receive, preserve, hold, manage, and maximize the Asbestos Claims Trust Assets for use in paying and satisfying Allowed Asbestos Personal Injury Claims in accordance with the terms of the Asbestos Claims Trust Agreement, and (c) take other actions deemed by the Asbestos Claims Trustees to be in the best interests of the holders of the Asbestos Personal Injury Claims, who are the sole beneficiaries of the Asbestos Claims Trust. The Asbestos Claims Trust shall assume all liabilities of the Reorganizing Debtors with respect to all Asbestos Personal Injury Claims.

7.2 Asbestos Claims Trust Agreement. The Asbestos Claims Trust Agreement will be substantially in the form of the “Asbestos Trust Agreement” attached as Exhibit 6 to the Debtors’ Plan, which contains provisions customary to documents utilized in comparable circumstances, with such changes as are necessary to reflect the differences between the Primary Asbestos Treatment and the treatment of Asbestos Personal Injury Claims under the Debtors’ Plan and are approved by the Bankruptcy Court. The Plan Sponsors, Reorganized ASARCO, and the Asbestos Claims Trustees will execute the Asbestos Claims Trust Agreement.

7.3 Transfers and Assignments to the Asbestos Claims Trust. On the Effective Date, or as soon thereafter as the Bankruptcy Court establishes the aggregate amount of consideration necessary to satisfy all Asbestos Personal Injury Claims in full, the Plan Administrator shall transfer and assign to the Asbestos Claims Trust for the benefit of the Asbestos Claims Trust Beneficiaries the Asbestos Claim Trust Assets.

7.4 Control of the Asbestos Insurance Actions and Asbestos Insurance Recoveries. The right to control the Asbestos Insurance Actions and all Asbestos Insurance

Recoveries, including negotiations relating thereto and settlements thereof, shall be vested in the Asbestos Claims Trust on and after the Effective Date. Notwithstanding the foregoing, Reorganized ASARCO, the Plan Administrator and the Plan Sponsors shall cooperate with the Asbestos Claims Trustees in pursuing the Asbestos Insurance Actions through such means, and shall provide reasonable access to personnel and books and records of Reorganized ASARCO relating to the Asbestos Insurance Actions to representatives of the Asbestos Claims Trust to enable the Asbestos Claims Trustees to perform the Asbestos Claims Trustees' tasks under the Asbestos Claims Trust Agreement and the Plan, as is discussed below in Article 7.9 in regards to Reorganized ASARCO.

7.5 Assumption of Liabilities by the Asbestos Claims Trust. On the Effective Date, or as soon thereafter as the Bankruptcy Court establishes the aggregate amount of consideration necessary to satisfy all Asbestos Personal Injury Claims in full, in exchange for the funding described in Article 7.3, the Asbestos Claims Trust shall be deemed, without need for further action, to have assumed responsibility and liability for all Asbestos Personal Injury Claims against the Reorganizing Debtors.

7.6 Tax Matters. No election will be made to treat the Asbestos Claims Trust as a grantor trust for U.S. federal income tax purposes. The Asbestos Claims Trust is intended to be treated as a "qualified settlement fund" within the meaning of Treasury Regulation section 1.468B-1, and hence as a taxable entity for federal income tax purposes. The Asbestos Claims Trustees shall cause all taxes imposed on the Asbestos Claims Trust to be paid using assets of the Asbestos Claims Trust and shall comply with all tax reporting and withholding requirements imposed on the Asbestos Claims Trust under applicable tax laws, and in particular the rules applicable to a qualified settlement fund.

7.7 Asbestos Claims Trust Expenses. The Asbestos Claims Trust shall pay all Asbestos Claims Trust Expenses (including applicable taxes) from the Asbestos Claims Trust Assets. Neither the Reorganizing Debtors, the Plan Sponsors, the Plan Administrator, nor the Reorganized Debtors shall have any obligation to pay or reimburse any Asbestos Claims Trust Expenses. However, nothing shall preclude the Asbestos Claims Trustees from seeking reimbursement of such expenses from any Asbestos Insurance Company.

7.8 Initial Asbestos Claims Trustees. Not less than ten days prior to the commencement of the Confirmation Hearing, the Plan Sponsors shall designate the Persons who shall initially serve as the Asbestos Claims Trustees. Upon approval by the Bankruptcy Court in the Confirmation Order, the Asbestos Claims Trustees shall be appointed.

7.9 Asbestos Books. Subject to the conditions set forth herein, the Asbestos Claims Trust, through its duly authorized representatives, shall have the right, upon reasonable prior written notice to Reorganized ASARCO: (a) to have Reorganized ASARCO transfer into the Asbestos Claims Trust's possession all or part of the Asbestos Books in their current condition upon request of the Asbestos Claims Trust and on the condition that the Asbestos Claims Trust will incur all costs and expenses of the transfer or (b) to inspect and, at the sole expense of the Asbestos Claims Trust, make copies of the Asbestos Books on any business day and as often as may reasonably be desired; provided that, if so requested, the Asbestos Claims Trust shall have entered into a confidentiality agreement satisfactory in form and substance to

Reorganized ASARCO. All costs and expenses associated with the storage of and access to the Asbestos Books shall be the responsibility of, and paid by, the Asbestos Claims Trust. Reorganized ASARCO, the Plan Administrator and the Plan Sponsors shall cooperate with the Asbestos Claims Trust in transferring or providing access to the Asbestos Books in their current condition, and shall also provide reasonable access to necessary or appropriate personnel and the Asbestos Books as contemplated herein. Subject to the conditions set forth herein, the Asbestos Claims Trust, through its duly authorized representatives, shall also have the right, upon reasonable prior written notice, to conduct reasonable interviews of employees and other representatives of Reorganized ASARCO concerning matters reasonably related to the Asbestos Books. Reorganized ASARCO shall provide the Asbestos Claims Trust with advance notice of any proposed disposition of any of the Asbestos Books and a reasonable opportunity to segregate and remove such Asbestos Books as the Asbestos Claims Trust may select. If the Asbestos Claims Trust obtains from Reorganized ASARCO or its representatives any documents or communications (whether written or oral) to which any attorney-client, work-product privilege or other privilege or immunity attaches, the Asbestos Claims Trust shall be deemed an agent of the privilege holder for purposes of preserving the privilege, shall be required to take all reasonable steps to maintain any such privilege, and may not waive any such privilege without the consent of Reorganized ASARCO. Production of materials to the Asbestos Claims Trust does not constitute a waiver or an impairment of any privilege held by Reorganized ASARCO or ASARCO. In the event that any third party challenges any such privilege, Reorganized ASARCO may seek protection from a court of competent jurisdiction. References in this Article 7.9 to Reorganized ASARCO shall also include its successors in interest.

7.10 Cooperation with Respect to Insurance Matters. Reorganized ASARCO shall cooperate with the Asbestos Claims Trust and use commercially reasonable efforts to take or cause to be taken all appropriate actions and to do or cause to be done all things necessary or appropriate to effectuate all transfers and assignments identified herein to the Asbestos Claims Trust. By way of enumeration and not of limitation, Reorganized ASARCO and ASARCO each shall be obligated (a) to provide the Asbestos Claims Trust with copies of insurance policies and settlement agreements included within or relating to the Asbestos Personal Injury Claims; (b) to provide the Asbestos Claims Trust with information necessary or helpful to the Asbestos Claims Trust in connection with its efforts to obtain insurance coverage for the Asbestos Personal Injury Claims as well as other recoveries, including, without limitation, recoveries of extracontractual damages; (c) to execute assignments or allow the Asbestos Claims Trust to pursue claims in its own name (subject to appropriate disclosure of the fact that the Asbestos Claims Trust is doing so and the reasons why it is doing so), including by means of arbitration, alternative dispute resolution proceedings or litigation, to the extent necessary or helpful to the efforts of the Asbestos Claims Trust to obtain insurance coverage for the Asbestos Personal Injury Claims as well as other recoveries, including, without limitation, recoveries of extracontractual damages; and (d) to pursue and recover insurance coverage for the Asbestos Personal Injury Claims as well as other recoveries, including, without limitation, recoveries of extracontractual damages, in its own name or right to the extent that any or all of the transfers and assignments identified herein are not able to be fully effectuated, with any and all recoveries therefrom to be turned over to the Asbestos Claims Trust. The Asbestos Claims Trust shall be obligated to compensate Reorganized ASARCO and ASARCO for all costs and expenses reasonably incurred in connection with providing assistance to the Asbestos Claims Trust, including, without limitation, out-of-pocket costs and expenses, consultant fees and attorneys' fees.

7.11 Indemnity by the Asbestos Claims Trust.

(a) The Asbestos Claims Trust shall indemnify, defend (and, where applicable, pay the defense costs for), and hold harmless each of the ASARCO Protected Parties from any and all liabilities associated with an Asbestos Personal Injury Claim that a third party seeks to impose upon any of the ASARCO Protected Parties, or that are imposed upon any of the ASARCO Protected Parties.

(b) In the event that the Asbestos Claims Trust makes a payment to any of the ASARCO Protected Parties hereunder, and the liability on account of which such payment was made is subsequently diminished, either directly or through a third-party recovery, the applicable ASARCO Protected Party shall promptly repay the Asbestos Claims Trust the amount by which the payment made by the Asbestos Claims Trust exceeds the actual cost of the associated indemnified liability.

ARTICLE VIII

ENVIRONMENTAL LIQUIDATION TRUST

8.1 Environmental Liquidation Trust. On the Effective Date, the Environmental Liquidation Trust shall be established by Reorganized ASARCO and funded with ~~the Designated Properties and~~ Cash in the amount of \$10 million to initiate clean-up procedures for the purpose of having an independent administrator responsible for such clean-up. Title to the Designated Properties shall remain with the Reorganized Debtors. As soon as practicable after the Effective Date, the Environmental Liquidation Trust shall commence Remedial Actions with respect to the Designated Properties, and shall thereafter facilitate, oversee, and fund environmental clean-up efforts such that each Designated Property is cleaned up to regulatory closure in accordance with a cleanup plan approved by the EPA or the state having authority over such Designated Property. The Environmental Liquidation Trust shall liquidate Designated Properties as they are cleaned up to regulatory closure, with the proceeds of such liquidations used solely to fund further Remedial Actions with respect to the other Designated Properties. The remediation shall be paid for from the assets in the Environmental Liquidation Trust, but shall remain the liability of the applicable Reorganized Debtor. If the Environmental Liquidation Trust's Remedial Actions fail to satisfy any Administrative Claims or Reinstated Environmental Claims of the United States or any individual state under civil Environmental Laws relating to the Designated Properties, the holders of such unsatisfied Claims shall have recourse to the AMC Guaranty. Any funds remaining in the Environmental Liquidation Trust, after all Designated Properties have been cleaned up to regulatory closure and liquidated, shall be distributed to Reorganized ASARCO. Notwithstanding anything to the contrary in Article 8.1 of the Plan or the Environmental Liquidation Trust Agreement, (a) to the extent an Entity asserts a valid Lien with respect to property contained within or on a Designated Property, such entity shall retain such Lien unless the Allowed Secured Claim of such Entity has been Paid in Full; and (b) to the extent an Entity has asserted a Lien with respect to property contained within or on a Designated Property but does not possess an Allowed Secured Claim with respect to such purported collateral, any proceeds of such property shall be segregated by the Environmental Liquidation Trust until such time as such Entity's purported Secured Claim is allowed or disallowed and may only be utilized by the Environmental Liquidation Trust in the event such purported Secured

Claim is disallowed. ~~With respect to~~ The Plan Sponsors shall surrender the El Paso Smelter Site, ~~the El Paso Smelter's air permit shall not be transferred to the Environmental Liquidation Trust, and the Environmental Liquidation Trust shall not~~ s air permit and shall not (i) reopen the El Paso Smelter ~~or~~, (ii) sell the El Paso Smelter as an operating facility, ~~or~~ (iii) transfer the El Paso Smelter's air permit to the Environmental Liquidation Trust. It is the Plan Sponsors' intention to permanently close and fully remediate the El Paso Smelter in accordance with all applicable regulations. The Reorganized Debtors shall also assume responsibility for finishing the clean-up of the El Paso Metals Site.

8.2 Environmental Liquidation Trustees. Not less than ten days prior to the commencement of the Confirmation Hearing, the Plan Sponsors shall designate the Persons who shall initially serve as the Environmental Liquidation Trustees. Upon approval by the Bankruptcy Court in the Confirmation Order, the Environmental Liquidation Trustees shall be appointed.

ARTICLE IX

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

9.1 Assumption or Rejection of Unexpired Leases and Executory Contracts. On the Effective Date, except as otherwise provided in the Plan, any unexpired lease or executory contract that has not been previously assumed or rejected by any Reorganizing Debtor pursuant to an order of the Bankruptcy Court shall be deemed assumed by such Reorganizing Debtor under sections 365(a) and 1123 of the Bankruptcy Code, other than those executory contracts and unexpired leases that are (a) listed on Exhibit 2 hereto (as such list may be amended, supplemented or modified on or before the Confirmation Date) or (b) subject to a motion to reject that is pending on the Effective Date. Entry of the Confirmation Order shall constitute approval of such assumptions, and the rejection of the executory contracts or unexpired leases listed in Exhibit 2 hereto (as such list may be amended, supplemented or modified on or before the Confirmation Date), pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Any motions to reject executory contracts and unexpired leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order.

For the avoidance of doubt, the January 22, 2004, Tax Sharing Agreement between the Parent and AMC and the predecessor of ASARCO and the February 17, 2005 First Amendment to Tax Sharing Agreement among the Parent and AMC and ASARCO (together, the "Tax Sharing Agreement") will be assumed or otherwise remain in place.

9.2 Approval of Assumption or Rejection of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order shall, subject to and upon the occurrence of the Effective Date, constitute (a) the approval, pursuant to sections 365(a), 365(f) and 1123 of the Bankruptcy Code, of the assumption of the executory contracts and unexpired leases assumed pursuant to Article 9.1 of the Plan; (b) the extension of time, pursuant to section 365(d)(4) of the Bankruptcy Code, within which the Reorganizing Debtors may assume, assume and assign, or reject the unexpired leases specified in Article 9.1 of the Plan through the date of entry of an order approving the assumption, assumption and assignment, or rejection of such unexpired

leases; and (c) the approval, pursuant to sections 365(a) and 1123 of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected pursuant to Article 9.1 of the Plan.

9.3 Inclusiveness. Unless otherwise specified on Exhibit 2 hereto, each executory contract and unexpired lease listed or to be listed on Exhibit 2 shall include modifications, amendments, supplements, restatements or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument or other document is listed on Exhibit 2.

9.4 Rejection Damages. The Bankruptcy Court shall determine the amount, if any, of the Claim of any Entity seeking damages by reason of the rejection of any executory contract or unexpired lease to which it is a counterparty.

9.5 Rejection Damages Bar Date. If the rejection by a Reorganizing Debtor, pursuant to Article 9.1 of the Plan, of an executory contract or unexpired lease results in a Claim, then such Claim shall be forever barred and discharged and shall not be enforceable against the Reorganizing Debtors, the Reorganized Debtors, or their respective properties, unless a Proof of Claim is filed and served upon the Plan Administrator within thirty days after the later of the Effective Date or the date of entry of an order approving such rejection. To the extent any such Claim is Allowed by the Bankruptcy Court by Final Order, such Claim shall become, and shall be treated for all purposes under the Plan as, a Trade and General Unsecured Claim, and the holder thereof shall receive distributions as a holder of an Allowed Trade and General Unsecured Claim, pursuant to the Plan.

9.6 Payments Related to Assumption of Executory Contracts and Unexpired Leases.

(a) To the extent that Cure Amount Claims constitute monetary defaults, such Cure Amount Claims shall be satisfied by the applicable Reorganized Debtor, pursuant to section 365(b)(1) of the Bankruptcy Code: (1) by payment of the Cure Amount Claim on the Effective Date; or (2) on such other terms as are agreed to by the Plan Sponsors and the non-debtor parties to the executory contract or unexpired lease. In the event of a dispute regarding (A) the amount of any Cure Amount Claim or (B) any other matter pertaining to assumption and assignment of such contract or lease, the payment of any Cure Amount Claim required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving the assumption and assignment.

9.7 Employee Benefit Plans and Other Benefits.

(a) Effective as of the Effective Date, the applicable Reorganized Debtors shall be responsible for all benefits and liabilities with respect to the Employee Benefit Plans.

(b) All of the applicable Reorganizing Debtors' liabilities and obligations arising under the Employee Benefit Plans and workers' compensation benefits, even if such liability or obligation relates to Claims incurred (whether or not reported or paid) prior to the Effective Date, shall be deemed to be, and shall be treated as though they are, executory

contracts that are deemed assumed under the Plan pursuant to sections 365(a), 365(f) and 1123 of the Bankruptcy Code.

(c) Each Reorganized Debtor shall be responsible for all of such Reorganizing Debtor's obligations under the Coal Act, including the obligations (1) to provide retiree health benefits to eligible beneficiaries and their dependents pursuant to section 9711 of the Coal Act, 26 U.S.C. § 9711; (2) to pay the annual prefunding premium and the monthly per beneficiary premium required pursuant to section 9712(d)(1)(A) and (B) of the Coal Act, 26 U.S.C. § 9712(d)(1)(A) and (B); and (3) to provide security to the UMWA 1992 Benefit Plan pursuant to section 9712(d)(1)(C) of the Coal Act, 26 U.S.C. § 9712(d)(1)(C).

(d) ASARCO sponsors two defined benefit pension plans, the Retirement Income Plan for Hourly-Rated Employees of ASARCO, Inc. and the Retirement Income Plan for Salaried Employees of ASARCO, Inc. (collectively, the "Pension Plans"), which are covered by Title IV of the Employee Retirement Income Security Act of 1974 ("ERISA"), 29 U.S.C. §§ 1301-1461 (2000 and Supp. V 2005). ASARCO will satisfy its minimum funding obligations to the Pension Plans during the pendency of this proceeding, and through the Effective Date. In the event that one or both of the Pension Plans terminate during the pendency of this proceeding, certain claims will arise, including joint and several liabilities of the Debtors to PBGC that may be entitled to priority under various Bankruptcy Code provisions. As of the Effective Date, Reorganized ASARCO, and the members of its controlled group for purposes of ERISA, as applicable from time to time (the "Controlled Group"), shall be responsible for satisfying the minimum funding obligations to the Pension plans subsequent to the Effective Date. In the event that one or both of the Pension Plans terminate subsequent to the Effective Date, the liability of Reorganized ASARCO, and the Controlled Group, to PBGC, if any, will not be affected by any provision of the Plan or by confirmation of the Plan, and, in particular but without limitation, any claims, if any, or other legal obligations relating to the Pension Plans shall not be discharged, released, or expunged, or be subject to Section 12.2 of the Plan.

(e) The Reorganized Debtors shall assume and be responsible for all of the Reorganizing Debtors' obligations to pay retiree benefits, as defined in section 1114 of the Bankruptcy Court, for the duration of the period the applicable Reorganizing Debtor has obligated itself to provide such benefits. After the Effective Date, the Reorganized Debtors shall retain their rights to amend, modify or terminate retiree benefits in accordance with all relevant agreements and applicable law, including any collective bargaining agreement that may be entered into between the USW and the Reorganized Debtors.

9.8 Surety Bonds. All Surety Bonds shall be retained or deemed Reinstated, as the case may be, on the Effective Date and shall revert to the benefit of the applicable Reorganized Debtors.

ARTICLE X

CONDITIONS TO EFFECTIVENESS

10.1 Conditions to Effectiveness. Notwithstanding any other provision of the Plan or any order entered in connection with the Reorganization Cases, the Effective Date of the

Plan shall not occur until and unless each of the following conditions to effectiveness has been satisfied or waived pursuant to Article 10.2 of the Plan, provided that conditions to effectiveness, including findings of fact and conclusions of law, with respect to the Section 524(g) Treatment and the Permanent Channeling Injunction are conditions to effectiveness of the Plan only to the extent the Section 524(g) Treatment is accepted by at least 75% in number of the holders of Class 5 Claims actually ~~making the election~~voting and by the FCR:

(a) *Disclosure Statement.*

The Bankruptcy Court has approved the Disclosure Statement.

(b) *Confirmation Findings and Conclusions.*

The District Court makes or affirms the following findings of fact and conclusions of law:

(1) As of the Petition Date, one or more of the Reorganizing Debtors has been named as a defendant in personal injury, wrongful death, or property damage actions seeking recovery for damages allegedly caused by the presence of, or exposure to, asbestos or asbestos-containing products;

(2) The Section 524(g) Treatment has been approved by creditors in Class 5 under the Plan in the requisite numbers and amounts required by sections 524(g), 1126, and 1129 of the Bankruptcy Code and by the FCR;

(3) On the Effective Date, the Section 524(g) Trust shall assume the liabilities of the Reorganizing Debtors with respect to the Asbestos Personal Injury Claims and Demands and shall receive all transfers and assignments set forth herein;

(4) As of the Effective Date, there were no pending or known property damage actions seeking damages as a result of property damage allegedly caused by or arising out of asbestos or asbestos-containing products;

(5) The Section 524(g) Trust is to be funded in part by securities of the Asbestos Subsidiary Debtors and by the obligation of the Asbestos Subsidiary Debtors to make future payments;

(6) The Section 524(g) Trust, upon the Effective Date, is to own a majority of the Interests in the Asbestos Subsidiary Debtors;

(7) The Section 524(g) Trust shall use its assets and income to pay the Asbestos Personal Injury Claims and Demands;

(8) The Reorganizing Debtors are likely to be subject to substantial future Demands for payment arising out of the same or similar conduct or events that gave rise to the Asbestos Personal Injury Claims, which are addressed by the Permanent Channeling Injunction and the Asbestos Insurance Company Injunction;

(9) The actual amounts, numbers, and timing of future Demands cannot be determined;

(10) Pursuit of Demands outside the procedures prescribed by the Plan is likely to threaten the Plan's purpose to deal equitably with Claims and future Demands;

(11) The terms of the Permanent Channeling Injunction and the Asbestos Insurance Company Injunction, including any provisions barring actions against third parties, are set out in the Plan and in the Disclosure Statement;

(12) The Section 524(g) Trust shall operate through mechanisms such as structured, periodic, or supplemental payments, pro rata distributions, matrices, or periodic review of estimates of the numbers and values of Asbestos Personal Injury Claims and Demands, or other comparable mechanisms, that provide reasonable assurance that the Section 524(g) Trust will value, and be in a financial position to pay, all Asbestos Personal Injury Claims and Demands in substantially the same manner;

(13) The FCR was appointed by the Bankruptcy Court as part of the proceedings leading to the issuance of the Permanent Channeling Injunction and the Asbestos Insurance Company Injunction for the purpose of, among other things, protecting the rights of persons that might subsequently assert Demands of the kind that are addressed in the Permanent Channeling Injunction and/or the Asbestos Insurance Company Injunction and that are to be assumed and paid by the Section 524(g) Trust in accordance with the Section 524(g) Trust Documents;

(14) In light of the respective benefits provided, or to be provided, to the Section 524(g) Trust by, or on behalf of, each ASARCO Protected Party, the Permanent Channeling Injunction is fair and equitable with respect to the persons that might subsequently assert Demands against any ASARCO Protected Party;

(15) In light of the respective benefits provided, or to be provided, to the Section 524(g) Trust by a Settling Asbestos Insurance Company in order to receive the benefits of the Asbestos Insurance Company Injunction, the Asbestos Insurance Company Injunction is fair and equitable with respect to the persons who might subsequently assert Demands against any Settling Asbestos Insurance Company;

(16) The Settling Asbestos Insurance Companies are alleged to be directly or indirectly liable for the Asbestos Personal Injury Claims and Demands for one or more of the reasons set forth in section 524(g)(4)(A)(ii) of the Bankruptcy Code;

(17) The Permanent Channeling Injunction and the Asbestos Insurance Company Injunction are integral parts of the Plan and may not be vacated, amended or modified after Confirmation except to the extent expressly provided in Article 12.3(a)(2) and 12.3(b)(2) of the Plan;

(18) The Plan complies with all applicable sections of the Bankruptcy Code, including, to the extent the Section 524(g) Treatment goes into effect, section 524(g) of the Bankruptcy Code;

(19) The Plan Documents which relate to the Section 524(g) Treatment are approved in all respects, and all parties thereto are authorized and directed to perform all their obligations thereunder; and

(20) Approval of all settlements and compromises embodied in the Section 524(g) Treatment is appropriate under Bankruptcy Rule 9019 and applicable law governing approval of such settlements and compromises and shall be ordered as part of the Confirmation Order.

(c) *Confirmation Order.*

(1) The Confirmation Date shall have occurred no later than January 31, 2009.

(2) The Confirmation Order entered or affirmed by the District Court is acceptable to the Plan Sponsors.

(d) *No Stay.*

The Confirmation Order is not stayed pursuant to an order issued by a court of competent jurisdiction.

(e) *Plan Documents.*

(1) The Plan Documents necessary or appropriate to implement the Plan, other than those which relate to the Section 524(g) Treatment, have been executed, in a form acceptable to the Plan Sponsors, delivered and, where applicable, filed with the appropriate governmental or supervisory authorities.

(2) The Bankruptcy Court has approved the Plan Documents, other than those which relate to the Section 524(g) Treatment, in all respects and authorized and directed all parties thereto to perform all their obligations thereunder.

(f) *Funding.*

The Plan Sponsors have delivered the Plan Sponsor Contribution to the Plan Administrator, and ASARCO has transferred the Distributable Cash to the Plan Administrator; provided, however, that the failure of the Plan Sponsors to provide the Plan Sponsor Contribution will not relieve the Plan Sponsors of their obligation under Article 11.20 of the Plan.

(g) *U.S. Trustee's Fees.*

Any fees owed to the U.S. Trustee by the Reorganizing Debtors as of the Effective Date have been paid in full.

(h) *Approval of Asbestos Treatment.*

If the Section 524(g) Treatment does not go into effect, the Confirmation order approves the Primary Asbestos Treatment or the Alternative Asbestos Treatment.

(i) *Approval of Plan Settlements.*

The Bankruptcy Court has approved all settlements and compromises embodied in the Plan, and has found that such settlements and compromises are appropriate under Bankruptcy Rule 9019 and applicable law governing such approval and such settlements and compromises shall be approved as part of the Confirmation Order.

10.2 Waiver of Conditions to Effectiveness. The Plan Sponsors, in their sole discretion, may waive any condition to effectiveness in Article 10.1 of the Plan by filing a notice of such waiver with the clerk of the Bankruptcy Court and by serving a copy of such notice on the U.S. Trustee, the Reorganizing Debtors, the Committees, the FCR, and the DOJ.

10.3 Notice of Effective Date. The Reorganized Debtors shall give notice of the Effective Date within five (5) Business Days after its occurrence.

10.4 Non-Occurrence of Effective Date. In the event that the Effective Date does not occur, all parties shall be returned to the position they would have held had the Confirmation Order not been entered, and nothing in the Plan, Disclosure Statement, or any Plan Document, or any pleading or statement in court shall be deemed to constitute an admission or waiver of any sort or in any way to limit, impair, or alter the rights of any Entity.

ARTICLE XI

IMPLEMENTATION OF THE PLAN

11.1 Sources of Cash and Other Consideration for Distributions. On the Effective Date, (i) the Plan Sponsors shall deliver to the Plan Administrator the Plan Sponsor Contribution; (ii) ASARCO shall transfer to the Plan Administrator the Distributable Cash; and (iii) to the extent required by the Bankruptcy Court to determine feasibility of the Plan, the Plan Sponsors shall execute the AMC Guaranty. On or after the Effective Date, the Reorganized Debtors may also contribute assets which are not required for Reorganized ASARCO's ongoing business to the Plan Administrator. The Plan Administrator shall pay Allowed Claims that are to be paid on the Effective Date (or make other payments called for by the Plan), fund the Section 524(g) Trust or Asbestos Claims Trust, as applicable, fund the Environmental Liquidation Trust, and fund the Disputed Claims Reserve as provide for in Article 14.9 hereof, first from Cash on deposit in the account established by the Plan Administrator to hold the Cash portion of the Available Plan Funds, and then from other forms of consideration held by the Plan Administrator. Claims that the Plan provides will be Reinstated shall be paid out of the applicable Reorganized Debtor's operating cash flows unless otherwise provided in the Plan. For the avoidance of doubt, it is not a condition to the confirmation or effectiveness of the Plan that any particular Claim or Class has been Allowed by Final Order.

11.2 Appointment of Plan Administrator and Funding of Miscellaneous Plan Administration Accounts.

(a) Not less than ten days prior to commencement of the Confirmation Hearing, the Plan Sponsors shall designate the Entity that shall initially serve as the Plan Administrator. Upon approval by the Bankruptcy Court in the Confirmation Order, the Plan Administrator shall be appointed. The Plan Administrator shall have and perform all of the duties, responsibilities, rights and obligations set forth in the Plan Administration Agreement. The Plan Administrator shall serve without bond, may employ or contract with other Persons to assist in the performance of the Plan Administrator's duties, which shall be set forth in the Plan Administration Agreement, and shall procure appropriate directors and officers liability insurance and other insurance coverage appropriate to the business in which the Reorganized Debtors are to be engaged. The Plan Administrator shall receive, without further Bankruptcy Court approval, reasonable compensation for such services and reimbursement of reasonable out-of-pocket expenses incurred in connection ~~of~~with such services.

(b) On the Effective Date (or as soon thereafter as is reasonably practicable), the Plan Administrator shall establish and fund the Plan Administration Account with sufficient Cash to pay the Plan Administrator's estimated compensation and expenses, and all other anticipated costs of administration of the Plan. The Plan Administrator shall also establish and fund Miscellaneous Plan Administration Accounts, including the Disputed Claims Reserve, the Disputed Secured Claims Escrow Account, and the Undeliverable and Unclaimed Distribution Reserve, and may also establish such general accounts as the Plan Administrator deems necessary and appropriate.

(c) The Plan Administrator shall allocate the funds in the Plan Administration Account to subaccounts corresponding to the enumerated functions of the Plan Administrator. Until the Plan Administrator has discharged its obligations, the funds in those subaccounts and the Miscellaneous Plan Administration Accounts may only be used for the purpose designated for that particular account or subaccount.

(d) To the extent there are any excess funds in the Plan Administration Account (or any subaccount thereof) or any Miscellaneous Plan Administration Account, the Plan Administrator shall make a Subsequent Distribution of such funds to Reorganized ASARCO.

(e) To the extent there are insufficient funds in the Plan Administration Account (or any subaccount thereof) or the Miscellaneous Plan Administration Accounts to satisfy in full all Plan Obligations, the Reorganized Debtors shall be obligated to fund such shortfall from their operating cash flow, and the Plan Administrator shall be authorized to enforce such obligation on behalf of all creditors.

11.3 Distribution of Available Plan Funds. On the Initial Distribution Date, the Plan Administrator shall distribute the Available Plan Funds, in accordance with the Plan.

11.4 Release of Litigations. On the Effective Date, all causes of action identified in **Exhibit 10** hereto shall be deemed, without any notice, the entry of any other order, or any other action by any party to have been released and dismissed or withdrawn with prejudice. Additionally, all causes of action of the Reorganizing Debtors and their estates under chapter 5 of the Bankruptcy Code (or similar state or federal law) shall be released and dismissed

or withdrawn with prejudice. All other causes of action or counts thereof shall continue and be pursued as provided in articles 11.12 and 11.13 but subject to articles 6.4 or 7.4, as applicable.

11.5 Prepetition ASARCO Environmental Trust.

(a) The Prepetition ASARCO Environmental Trust shall remain in existence, and shall be unaffected by the Reorganization Cases or any related settlements. The Plan Administrator shall succeed to ASARCO's administrative role, and will, in its sole discretion, act as Performing Entity (as defined in the Prepetition ASARCO Environmental Trust) from time to time, but will assume no affirmative liabilities or obligations associated with that role. In accordance with the documents governing it, the funds in the Prepetition ASARCO Environmental Trust shall continue to be available for, among other things, (i) identified work sites; (ii) interim costs prior to the effectiveness of the Plan; and (iii) any shortfalls or unanticipated costs or any other use permitted by the terms of the Prepetition ASARCO Environmental Trust (it being understood that the terms of certain environmental settlements were based on the assumption that certain previously-identified, additional environmental response actions to be performed by ASARCO, the Plan Administrator or the United States would be reimbursed from the Prepetition ASARCO Environmental Trust).

(b) The funds remaining in the Prepetition ASARCO Environmental Trust shall be separate from and without prejudice to the distributions to be made to holders of Class 7 Previously Settled Environmental Claims, Class 8 Miscellaneous Environmental Claims, and Class 9 Reinstated Environmental Claims, as described in Article IV of the Plan.

11.6 Operations and Settlements Between the Confirmation Date and the Effective Date. Except as set forth herein with respect to the appointment of the Plan Administrator, during the period from the Confirmation Date through and until the Effective Date, the Reorganizing Debtors shall continue to operate as debtors-in-possession, subject to the oversight of the Bankruptcy Court as provided in the Bankruptcy Code, the Bankruptcy Rules, and all orders of the Bankruptcy Court that are then in full force and effect. During the period from the Confirmation Date through and until the Effective Date, the Reorganizing Debtors shall not enter into or seek approval of any settlement(s) of any Claim(s) where the amount of such settlement, or the Allowed amount of such Claims, individually or in the aggregate, would be in excess of \$10 million, without prior written approval of the Plan Sponsors.

11.7 Tax Refund. Unless the Tax Refund Adversary Proceeding has been determined by Final Order prior to the Effective Date, then on the Effective Date, the Tax Refund shall be transferred to Reorganized ASARCO for use as working capital following the Effective Date.

11.8 Interests in the Reorganized Debtors. On the Effective Date, all Interests in ASARCO shall automatically convert into Interests in Reorganized ASARCO, and all Interests in the Reorganizing Subsidiaries shall automatically convert into Interests in the applicable Reorganized Subsidiaries.

11.9 Limited Liability Company Agreement. On or as soon as reasonably practicable after the Effective Date, Reorganized ASARCO shall file an amended LLC Agreement with the Secretary of State of the State of Delaware.

11.10 Management of Reorganized ASARCO. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Plan Sponsors shall disclose, by filing, on or prior to the Confirmation Date, a document disclosing the identity and affiliations of any person proposed to serve on the initial board of directors of Reorganized ASARCO or as an officer of Reorganized ASARCO. To the extent any such person is an insider, the nature of any compensation payable to such person shall be disclosed at such time. Reorganized ASARCO shall have a five-person board of directors, each of them nominated by the Plan Sponsors. Each director and officer shall serve from and after the Effective Date pursuant to the terms of the amended Limited Liability Company Agreement, and applicable law.

11.11 Continued Corporate Existence and Business Operations of the Reorganized Debtors. Except as otherwise provided in this Article XI, the Reorganized Debtors shall continue their existence after the Effective Date.

11.12 Revesting.

(a) Except as otherwise expressly provided in the Plan, on the Effective Date, all of the Reorganizing Debtors' and their Estates' property and assets shall vest in the applicable Reorganized Debtor, free and clear of all Liens, Claims, charges and other encumbrances. For the avoidance of doubt, any and all claims and causes of action that were owned by any Reorganizing Debtor or its Estate as of the Effective Date, including, without limitation, those based on the Alter Ego Theories, shall vest in the applicable Reorganized Debtor on the Effective Date, and such Reorganized Debtor shall be the only Entity entitled to pursue such claims or causes of action.

(b) On the Effective Date, (i) if the Section 524(g) Treatment goes into effect, Interests in the Asbestos Subsidiary Debtors shall be transferred and assigned to the Section 524(g) Trust, or (ii) if the Section 524(g) Treatment does not go into effect, Interests in the Asbestos Subsidiary Debtors shall automatically revest in Reorganized ASARCO.

11.13 Vesting and Enforcement of Causes of Action. The causes of action asserted by ASARCO against the United States on behalf of the EPA, the Department of Agriculture, the Department of the Interior and the International Boundary and Water Commission in Adversary Proceeding No. 07-02076 shall vest in Reorganized ASARCO. If the Section 524(g) Treatment goes into effect, then the Asbestos Insurance Actions shall vest in the Section 524(g) Trustees and may be pursued or compromised as deemed fit by the Section 524(g) Trustees in their sole discretion without need for approval of the Bankruptcy Court.

11.14 Further Authorizations. The Reorganized Debtors, the Plan Administrator, or the Plan Sponsors may seek such orders, judgments, injunctions, and rulings as any one or more of them deem necessary to further carry out the intentions and purposes of, and give full effect to the provisions of, the Plan.

11.15 Effectuating Documents and Further Transactions. The chief executive officer, president, chief financial officer, general counsel, secretary, treasurer, any vice president, or managing member (if applicable) of each Reorganizing Debtor or Reorganized Debtor shall be authorized, to the extent consistent with such Reorganizing Debtor's or Reorganized Debtor's constituent documents, to execute, deliver, file, or record such contracts, instruments, settlement agreements, releases, indentures, and other agreements or documents and to take or direct such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan. The secretary or any assistant secretary of each Reorganizing Debtor or Reorganized Debtor shall be authorized to certify or attest to any of the foregoing actions.

11.16 Corporate Action. All matters provided for under the Plan involving the corporate structure of the Reorganizing Debtors or Reorganized Debtors, or any corporate action to be taken by, or required of the Reorganizing Debtors or the Reorganized Debtors, shall be deemed to have occurred and be effective as provided herein, and shall be authorized and approved in all respects without any requirement for further action by the holders of Interests in, or directors of, any of such entities.

11.17 Execution of Plan Documents. On the Effective Date, the Reorganized Debtors and other parties thereto shall execute and deliver the Plan Documents, as applicable.

11.18 Approval of Section 524(g) Trust Documents. If the Section 524(g) Treatment goes into effect, Confirmation of the Plan shall constitute approval pursuant to Bankruptcy Rule 9019 of the Section 524(g) Trust Documents, as evidenced by entry of the Confirmation Order.

11.19 Option to Create Work Trusts. The DOJ may at its option elect to establish work trusts for the purpose of receiving distributions made with respect to Allowed Claims that relate to specified environmental sites.

11.20 Plan Sponsor Contribution. The Plan Sponsors shall deliver to the Plan Administrator the Plan Sponsor Contribution no later than ten (10) days after the entry of the Confirmation Order.

11.21 Approval of Mission Mine Settlement Agreement. Confirmation of the Plan shall cause the Mission Mine Settlement Agreement to be binding upon all landowners and allottees who own interests in the lands affected by the Mission Mine Settlement Agreement.

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ARTICLE XII

INJUNCTIONS, RELEASES, AND DISCHARGE

12.1 Discharge and Release. Except as otherwise expressly provided in the Plan, the rights afforded in the Plan and the treatment of all Claims, Demands, and Interests shall be in exchange for and in complete satisfaction, discharge, and release of all Claims, Demands, and Interests of any nature whatsoever, against any Reorganizing Debtor or its Estate, assets,

properties or interests in property. Except as otherwise provided herein, on the Effective Date, all Claims and (to the extent the Section 524(g) Treatment goes into effect) Demands against and Interests in the Reorganizing Debtors shall be satisfied, discharged, and released in full. The ASARCO Protected Parties shall not be responsible for any obligations of the Reorganizing Debtors except those expressly assumed by them in the Plan, *provided, however, that if the Plan Sponsor Contribution, the Distributable Cash, and any other form of consideration (which may include assets of the Reorganized Debtors which are not required for Reorganized ASARCO's ongoing business) held in the Disputed Claims Reserve together are insufficient to satisfy all Plan Obligations, then (i) the applicable Reorganized Debtor shall continue to be liable for such Plan Obligations, and (ii) the AMC Guaranty shall provide additional recourse to satisfy such Plan Obligations; provided further, however,* that if the Plan Sponsors and the Plan Sponsor Parent do not receive all protections provided for in the Plan, including, without limitation, those described in this Article and Article 12.9, then the protections in this Article with respect to ASARCO Protected Parties other than the Reorganizing Debtors and Reorganized Debtors shall not go into effect. In the event the Section 524(g) Treatment does not go into effect Demands shall not be Discharged under the Plan.

12.2 Discharge Injunction. Except as otherwise expressly provided in the Plan, the discharge and release set forth in Article 12.1 shall also operate as an injunction permanently prohibiting and enjoining the commencement or continuation of any action or the employment of process with respect to, or any act to collect, recover from, or offset (a) any Claim or (to the extent the Section 524(g) Treatment goes into effect) Demand discharged and released in Article 12.1 and (b) any cause of action, whether known or unknown, based on the same subject matter as any Claim or (to the extent the Section 524(g) Treatment goes into effect) Demand discharged and released in Article 12.1. Except as otherwise expressly provided in the Plan, all Persons and Entities shall be precluded and forever barred from asserting against the ASARCO Protected Parties, their successors or assigns, or their assets, properties, or interests in property any other or further Claims or (to the extent the Section 524(g) Treatment goes into effect) Demands, or any other right to legal or equitable relief regardless of whether such right can be reduced to a right to payment, based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not the facts of or legal bases therefor were known or existed prior to the Effective Date, *provided, however,* that if the Plan Sponsor Contribution, the Distributable Cash, and any other form of consideration (which may include assets of the Reorganized Debtors which are not required for Reorganized ASARCO's ongoing business) held in the Disputed Claims Reserve together are insufficient to satisfy all Plan Obligations, then (i) the applicable Reorganized Debtor shall continue to be liable for such Plan Obligations, and (ii) the AMC Guaranty shall provide additional recourse to satisfy such Plan Obligations; *and provided further,* that if the Plan Sponsors and the Plan Sponsor Parent do not receive all protections provided for in the Plan, including, without limitation, those described in this Article and Article 12.9, then the protections in this Article with respect to ASARCO Protected Parties other than the Reorganizing Debtors and Reorganized Debtors shall not go into effect.

12.3 The Permanent Channeling Injunction and the Asbestos Insurance Company Injunction. If the Section 524(g) Treatment goes into effect, then in order to supplement the injunctive effect of the Discharge Injunction, and pursuant to the exercise of the legal and equitable jurisdiction and power set forth in section 524(g) or 105(a) of the Bankruptcy

Code (or both), the Confirmation Order shall provide for issuance of the following injunctions to take effect as of the Effective Date:

(a) *Permanent Channeling Injunction.*

(1) Terms. In order to induce, preserve and promote the settlements contemplated by and provided for in the Plan, and pursuant to section 524(g) or 105(a) of the Bankruptcy Code (or both), all Asbestos Personal Injury Claims and Demands shall be channeled to the Section 524(g) Trust for a remedy under the Section 524(g) Trust Distribution Protocol, and all holders of Asbestos Personal Injury Claims and Demands and all Entities which have held or asserted, which hold or assert, or which may in the future hold or assert, any Asbestos Personal Injury Claim or Demand shall be permanently and forever stayed, restrained, and enjoined from taking any action against any ASARCO Protected Party (or any property or interest in property of an ASARCO Protected Party) with respect to such Asbestos Personal Injury Claim or Demand, including, without limitation, for the purpose of directly or indirectly obtaining a judgment, collecting, recovering, or receiving payments, satisfaction, or recovery with respect to such Asbestos Personal Injury Claim or Demand, including, without limitation:

(A) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including a judicial, arbitration, administrative, or other proceeding) in any forum with respect to any Asbestos Personal Injury Claim or Demand against any of the ASARCO Protected Parties, or against the property or interests in property of any ASARCO Protected Parties;

(B) enforcing, levying, attaching (including by prejudgment attachment), collecting, or otherwise recovering, by any manner or means, whether directly or indirectly, any judgment, award, decree, or other order against any of the ASARCO Protected Parties, or against the property or interests in property of any ASARCO Protected Parties, with respect to any Asbestos Personal Injury Claim or Demand;

(C) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any Lien of any kind against any ASARCO Protected Parties, or the property or interests in property of any ASARCO Protected Parties, with respect to any Asbestos Personal Injury Claim or Demand;

(D) except as otherwise specifically provided in the Plan, asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, reimbursement, or recoupment of any kind and in any manner, directly or indirectly against any obligation due any ASARCO Protected Parties, or against the property or interests in property of any ASARCO Protected Parties, with respect to any Asbestos Personal Injury Claim or Demand; and

(E) proceeding or taking any action, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the

Plan, the Plan Documents or the Section 524(g) Trust Documents relating to any Asbestos Personal Injury Claim or Demand.

(2) Reservations. Notwithstanding anything to the contrary above, this Permanent Channeling Injunction shall not enjoin, alter, diminish, or impair:

(A) the rights of Entities to the treatment accorded them under Articles II and IV of the Plan, as applicable, including the rights of Entities with Asbestos Personal Injury Claims or Demands to assert such Asbestos Personal Injury Claims or Demands in accordance with the Section 524(g) Trust Distribution Protocol;

(B) the rights of Entities to assert any Claim, Demand, debt, obligation, or liability for payment of Section 524(g) Trust Expenses against the Section 524(g) Trust;

(C) the enforceability of any of the Asbestos Insurance Policies or any Asbestos Insurance Settlement Agreement;

(D) the rights of the Section 524(g) Trustees, if any, with regard to any Asbestos Insurance Company that is not a Settling Asbestos Insurance Company (with the Section 524(g) Trust being, and deemed to be, for all purposes of insurance and indemnity, the successor to the Reorganizing Debtors in respect of all Asbestos Personal Injury Claims and Demands and other recoveries from an Asbestos Insurance Company, in its capacity as such); or

(E) the rights of Entities to assert any Claim, Demand, debt, obligation, or liability for payment against an Asbestos Insurance Company that is not an ASARCO Protected Party unless otherwise enjoined by order of the Bankruptcy Court or the District Court or estopped by a provision of the Plan.

(b) *Asbestos Insurance Company Injunction*.

(1) Terms. In order to preserve and promote the property of the Estate, as well as the settlements contemplated by and provided for in the Plan, and to supplement where necessary the injunctive effect of the discharge and releases provided for in the Plan, pursuant to section 105(a) of the Bankruptcy Code, all Entities which have held or asserted, which hold or assert, or which may in the future hold or assert any Claim, Demand or cause of action (including, without limitation, any Asbestos Personal Injury Claim or Demand or any Claim for or respecting any Section 524(g) Trust Expense) against a Settling Asbestos Insurance Company based upon, relating to, arising out of, attributable to, or in any way connected with any Asbestos Personal Injury Claim or Demand, Asbestos In-Place Insurance Coverage or an Asbestos Insurance Policy, shall be permanently and forever stayed, restrained, and enjoined from taking any action against such Settling Asbestos Insurance Company for the purpose of directly or indirectly collecting, recovering, or receiving payments, satisfaction, or recovery with respect to any such Claim, Demand or cause of action, including, without limitation:

(A) commencing, conducting, or continuing, in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including a judicial, arbitration, administrative, or other proceeding) in any forum with respect to any such Claim, Demand or cause of action against any Settling Asbestos Insurance Company, or against the property or interests in property of any Settling Asbestos Insurance Company;

(B) enforcing, levying, attaching, collecting, or otherwise recovering, by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against any Settling Asbestos Insurance Company or against the property or interests in property of any Settling Asbestos Insurance Company with respect to any such Claim, Demand or cause of action;

(C) creating, perfecting, or otherwise enforcing, in any manner, directly or indirectly, any Lien of any kind against any Settling Asbestos Insurance Company or the property or interests in property of any Settling Asbestos Insurance Company with respect to any such Claim, Demand or cause of action;

(D) except as otherwise specifically provided in the Plan, asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, reimbursement, or recoupment of any kind and in any manner, directly or indirectly, against any obligation due any Settling Asbestos Insurance Company or against the property or interests in property of any Settling Asbestos Insurance Company with respect to any such Claim, Demand or cause of action; and

(E) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan Documents relating to such Claim, Demand or cause of action.

(2) Reservations. Notwithstanding anything to the contrary above, this Asbestos Insurance Company Injunction shall not enjoin, alter, diminish or impair:

(A) the rights of Entities to the treatment accorded them under Articles II and IV of the Plan, as applicable, including the rights of Entities with Asbestos Personal Injury Claims or Demands to assert Asbestos Personal Injury Claims or Demands against the Section 524(g) Trust in accordance with the Section 524(g) Trust Distribution Protocol;

(B) the rights of Entities to assert any Claim, Demand, debt, obligation, or liability for payment of Section 524(g) Trust Expenses against the Section 524(g) Trust;

(C) the enforceability of any of the Asbestos Insurance Policies or any Asbestos Insurance Settlement Agreement;

(D) the rights of the Section 524(g) Trustees, if any, with regard to any Asbestos Insurance Company that is not a Settling Asbestos Insurance Company (with the Section 524(g) Trust being, and deemed to be, for all purposes of insurance and indemnity, the successor to the Reorganizing Debtors in respect of all Asbestos Personal Injury Claims, Demands, and other recoveries from an Asbestos Insurance Company, in its capacity as such);

(E) the rights of Entities to assert any Claim, Demand, debt, obligation or liability for payment against an Asbestos Insurance Company that is not an ASARCO Protected Party unless otherwise enjoined by order of the Bankruptcy Court or the District Court or estopped by a provision of the Plan; or

(F) the rights of the Section 524(g) Trust or the Section 524(g) Trustees to seek relief from the Asbestos Insurance Company Injunction should a Settling Asbestos Insurance Company fail to fulfill all obligations under an Asbestos Insurance Settlement Agreement.

12.4 Limitation of Injunctions. Notwithstanding any other provision of the Plan to the contrary, the releases set forth in Article 12.1 and the Injunctions set forth in Articles 12.2 and 12.3, respectively, shall not serve to satisfy, discharge, release, or enjoin Claims by any Entity against the Section 524(g) Trust for payment of (a) Asbestos Personal Injury Claims and Demands in accordance with the Section 524(g) Trust Distribution Protocol, or (b) Section 524(g) Trust Expenses, and such releases and/or Injunctions shall not enjoin the Reorganized Debtors or the Section 524(g) Trust from enforcing any Asbestos Insurance Policy or any Asbestos Insurance Settlement Agreement. In the event the Section 524(g) Treatment does not go into effect, the releases set forth in Article 12.1 of the Plan and the Injunctions set forth in Articles 12.2 and 12.3 of the Plan, respectively, will not serve to satisfy, discharge, release, or enjoin Demands by any Entity against Reorganized ASARCO or any of the Asarco Protected Parties.

12.5 Exoneration and Reliance. To the extent allowable by law, none of the ASARCO Protected Parties shall be liable (other than for criminal liability, willful misconduct or bad faith, or ultra vires acts) to any holder of a Claim, Demand, or Interest or any other Entity with respect to any action, omission, forbearance from action, decision, or exercise of discretion taken at any time through the Effective Date in connection with (a) the management or operation of any of the Reorganizing Debtors or the discharge of its duties under the Bankruptcy Code, (b) the solicitation, negotiation, or implementation of any of the transactions provided for, or contemplated in, the Plan or other Plan Documents, (c) any action taken in connection with either the enforcement of the rights of the Reorganizing Debtors against any Entities or the defense of Claims or Demands asserted against the Reorganizing Debtors with regard to the Reorganization Cases, (d) any action taken in the negotiation, formulation, preparation, development, proposal, solicitation, disclosure, Confirmation, or implementation of the Plan, other Plan Documents, or related agreements, instruments or other documents, (e) the administration of the Plan or the assets and property to be distributed pursuant to the Plan or (f) the administration of any of the Reorganizing Debtors' Estates. The ASARCO Protected Parties shall be deemed to have participated in each of the Reorganization Cases in good faith and in

compliance with all applicable provisions of the Bankruptcy Code. Nothing in this Article shall prevent the enforcement of the terms of the Plan.

12.6 Post-524(g) Indemnity. The Post-524(g) Indemnity (as such term is defined in the Asbestos Insurance Settlement Agreement) shall go into effect if the Section 524(g) Treatment does not go into effect. Reorganized ASARCO shall indemnify and hold harmless, but not defend, the Settled Asbestos Insurance Companies, as provided in paragraph III.C of the Asbestos Insurance Settlement Agreement.

12.7 Additional Releases. To the extent allowable by law, on, and as of, the Effective Date and for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the ASARCO Protected Parties (acting in any capacity whatsoever) shall be forever released and discharged from any and all Claims, (to the extent the Section 524(g) Treatment goes into effect) Demands, obligations, actions, suits, rights, debts, accounts, causes of action, remedies, avoidance actions, agreements, promises, damages, judgments, demands, defenses, or claims in respect of equitable subordination, and liabilities through the Effective Date (including all Claims and Demands based on or arising out of facts or circumstances that existed as of or prior to the Plan in any of the Reorganization Cases, including Claims and Demands based on negligence or strict liability, and further including any derivative claims asserted on behalf of any of the Reorganizing Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that any of the Reorganizing Debtors, their respective Estates, or any of the Reorganized Debtors would have been legally entitled to assert in its own right, whether individually or collectively) which any of the Reorganizing Debtors, their respective Estates, any of the Reorganized Debtors, Claimants, holders of Demands or other Persons receiving or who are entitled to receive distributions under the Plan may have against any of them in any way related to the Reorganization Cases or any of the Reorganizing Debtors (or their respective predecessors or Affiliates); provided, however, the releases provided for in this paragraph shall not extend to any claims by any governmental agency with respect to criminal liability, willful misconduct or bad faith, or ultra vires acts; and provided further, that if the Plan Sponsors and the Plan Sponsor Parent do not receive all protections provided for in the Plan, including, without limitation, those described in this Article and Articles 12.1 and 12.9, then the protections in this Article with respect to ASARCO Protected Parties other than the Reorganizing Debtors and the Reorganized Debtors shall not go into effect.

12.8 Exculpation. To the extent allowable by law, except ~~for in the case of a~~ judicial finding by a Final Order of willful misconduct; ~~or bad faith, or any~~ criminal liability; or liability for ultra vires acts asserted by any Governmental Unit: ~~(a) none of the, no~~ ASARCO Protected ~~Parties, Party~~ (acting in any capacity whatsoever;) shall be liable to any Person or Entity for any action, failure or omission to act or other matter related to ~~any of the Reorganizing Debtors and/or any of the Reorganization Cases, including in connection with the operation of any of the Reorganizing Debtors' business or the negotiation, formulation and preparation of the Plan and the Plan Documents~~ those activities described in Article 12.5 of the Plan, through and including the Effective Date; ~~and (b) all.~~ All parties are permanently enjoined from initiating a suit against any ~~of the~~ ASARCO Protected ~~Parties~~ Party, except ~~for in the case of a judicial finding by a Final Order of~~ actions for willful misconduct; ~~or bad faith, or any~~ criminal liability; or liability for ultra vires acts asserted by any Governmental Unit; Any such action by a non-

Governmental Unit shall be brought in the Bankruptcy Court within 90 days after the Effective Date; provided, however, that if the Plan Sponsors and the Plan Sponsor Parent do not receive all protections provided for in the Plan, including, without limitation, those described in ~~this Article, 12.8~~, then the protections in ~~this Article 12.8~~ with respect to ASARCO Protected Parties other than the Reorganizing Debtors and the Reorganized Debtors ~~shall~~will not go into effect. Nothing in ~~this Article shall~~12.8 will prevent the enforcement of the terms of the Plan.

12.9 Releases by Holders of Claims, Demands, and Interests. To the extent allowable by law, on the Effective Date, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, holders of Claims, (to the extent the Section 524(g) Treatment goes into effect) Demands, and Interests receiving distributions under the Plan shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each of the Reorganizing Debtors, the Reorganized Debtors, the ASARCO Protected Parties, the Plan Sponsors, and the Plan Sponsor Parent from any and all Claims, (to the extent the Section 524(g) Treatment goes into effect) Demands, Interests, obligations, rights, suits, damages, causes of action, remedies and liabilities whatsoever, including Claims and Demands based on negligence or strict liability, and including any derivative claims asserted on behalf of any of the Reorganizing Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that such holder of a Claim, Demand, or Interest would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, (1) any of the Reorganizing Debtors, (2) any of the Reorganization Cases, (3) the subject matter of, or the transactions or events giving rise to, any Claim, Demand, or Interest, (4) the business or contractual arrangements between any of the Reorganizing Debtors and any ASARCO Protected Party, (5) the restructuring of Claims, Demands, and Interests prior to or in the Reorganization Cases, (6) the negotiation, formulation, or preparation of the Plan, the Plan Documents or related agreements, instruments or other documents, or (7) any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than Claims, Demands, or liabilities arising out of or relating to any action or omission of an ASARCO Protected Party that constitutes a failure to perform the duty to act in good faith, with the care of an ordinarily prudent person and in a manner the ASARCO Protected Party reasonably believed to be in the best interests of the Reorganizing Debtors (to the extent such duty is imposed by applicable non-bankruptcy law) where such failure to perform constitutes willful misconduct or gross negligence, provided, however, that if the Plan Sponsors and the Plan Sponsor Parent do not receive all protections provided for in the Plan, including, without limitation, those described in this Article, then the protections in this Article with respect to ASARCO Protected Parties other than the Reorganizing Debtors and the Reorganized Debtors shall not go into effect.

12.10 Release of Fraudulent Transfer Claims Against Settling Asbestos Insurance Companies. If the Section 524(g) Treatment goes into effect, all fraudulent transfer claims against any Settling Asbestos Insurance Company arising under sections 544(b), 548, 549, or 550 of the Bankruptcy Code or otherwise with respect to the Claims, rights or interests released under the Asbestos Insurance Settlement Agreement shall be released, and the Section 524(g) Trust shall have no authority to bring any fraudulent transfer actions arising under any applicable state or other non-bankruptcy law against any Settling Asbestos Insurance Company with respect to the Claims, rights and interests released under the Asbestos Insurance Settlement

Agreement. This Article does not apply to any of the existing Avoidance Actions against certain Asbestos Insurance Companies that entered into prepetition settlement agreements.

12.11 Release With Respect to Pension Plans. Notwithstanding any provision in this article, or otherwise in the Plan, or in the Confirmation Order, there shall be no release of any claim asserted by PBGC with respect to the Pension Plans against any person, other than the Debtors.

ARTICLE XIII

MATTERS INCIDENT TO PLAN CONFIRMATION

13.1 Term of Certain Injunctions and Automatic Stay.

(a) All of the injunctions and/or stays provided for in or in connection with these Reorganization Cases, whether pursuant to section 105, section 362, section 524, or any other provision of the Bankruptcy Code, other applicable law, or court order, in effect immediately prior to Confirmation shall remain in full force and effect until the Injunctions become effective and thereafter if so provided by the Plan, the Confirmation Order, or by their own terms. In addition, on and after the Confirmation Date, the Plan Sponsors may seek such further orders as they may deem necessary to preserve the status quo during the time between the Confirmation Date and the Effective Date.

(b) Each of the Injunctions shall become effective on the Effective Date and shall continue in effect at all times thereafter, and may not be vacated, amended or modified after the Effective Date, except as otherwise provided herein. Notwithstanding anything to the contrary contained in the Plan, all actions in the nature of those to be enjoined by the Injunctions shall be enjoined during the period between the Confirmation Date and the Effective Date.

13.2 No Liability for Tax Claims. Unless a taxing authority has asserted a Claim against any of the Reorganizing Debtors prior to the applicable Bar Date, no Claim of such taxing authority shall be Allowed against such Reorganizing Debtor or the applicable Reorganized Debtor for taxes, penalties, interest, additions to tax, or other charges arising out of the failure, if any, of the applicable Reorganizing Debtor, the applicable Reorganized Debtor, or any other Entity to have paid taxes or to have filed any tax return (including, without limitation, any income tax return or franchise tax return) in or for any taxable period ending before the Petition Date or arising out of an audit of any return for a taxable period ending before the Petition Date.

13.3 No Successor Liability.

(a) Except as otherwise expressly provided in the Plan, none of the ASARCO Protected Parties other than the applicable Reorganized Debtor shall be deemed a successor or successor-in-interest to any of the Reorganizing Debtors or to any Entity for which the Reorganizing Debtors may be held legally responsible, by reason of any theory of law or equity, and none shall be responsible for any successor or transferee liability of any kind or character.

(b) Except as otherwise expressly provided in the Plan, none of the ASARCO Protected Parties other than the applicable Reorganized Debtors shall have any obligations to perform, pay, indemnify creditors for, or otherwise have any responsibilities for any liabilities or obligations of the applicable Reorganizing Debtors or the applicable Reorganized Debtors, whether arising before, on, or after the Confirmation Date.

13.4 Asbestos Insurance Actions and Preservation of Insurance Claims and Defenses. Subject to the terms of this Article 13.4 and the terms of the Confirmation Order, the Asbestos Insurance Actions and Asbestos Insurance Recoveries shall be preserved pursuant to this provision for pursuit: (a) if the Section 524(g) Treatment or the Primary Asbestos Treatment goes into effect, by the Section 524(g) Trust or the Asbestos Claims Trust for the benefit of the Section 524(g) Trust Beneficiaries or the Asbestos Claims Trust Beneficiaries, as applicable; or (b) otherwise, by the applicable Reorganized Debtor. If the Section 524(g) Treatment or the Primary Asbestos Treatment goes into effect, on or after the Effective Date, the Section 524(g) Trustees or Asbestos Claims Trustees, as applicable, shall be entitled, in their sole and complete discretion, to pursue, compromise or settle any and all Asbestos Insurance Actions and Asbestos Insurance Recoveries, and all proceeds from the Asbestos Insurance Actions shall be paid to the Section 524(g) Trust or Asbestos Claims Trust, as applicable.

13.5 Insurance Neutrality.

(a) Confirmation of the Plan shall not be binding upon, and shall not have any res judicata or collateral estoppel effect on or against, any Asbestos Insurance Company that is subject to insurance neutrality under the Bankruptcy Court's May 29, 2008 Order Extending Scope of Insurance Neutrality Addendum Attached to Order Approving Compromise and Settlement Regarding Resolution of Derivative Asbestos Claims (the "Insurance Neutrality Order") regarding its insurance coverage obligations in any pending or subsequent insurance coverage litigation, arbitration, ADR-type proceeding or other dispute concerning the existence and/or scope of its rights and/or obligations regarding asbestos-related liabilities, if any, and shall not have any impact, effect or consequence in any such other context.

(b) Neither the Reorganizing Debtors, the Asbestos Subsidiary Debtors, the Asbestos Claimants' Committee, the ASARCO Committee, the FCR, an Asbestos Insurance Company nor the Section 524(g) Trust may argue or assert, in any court proceeding, arbitration, ADR-type proceeding or other dispute involving an Asbestos Insurance Company that is subject to insurance neutrality under the Bankruptcy Court's Insurance Neutrality Order and concerning issues related to insurance coverage, that any findings or conclusions concerning 11 U.S.C. § 524(g) and/or constituting any estimation of asbestos-related liabilities contained in or referenced in any decision, order, finding, conclusion or judgment of the Bankruptcy Court relating to Confirmation of the Plan: (1) constitutes a "judgment," "adjudication," "final order," "settlement," or "finding of liability" related to, based on or relying on the principles enunciated in *UNR Indus., Inc. v. Continental Cas. Co.*, 942 F.2d 1101 (7th Cir. 1991) and/or *Fuller-Austin Insulation Co. v. Fireman's Fund Ins. Co.*, 2002 WL 31005090 (Cal. Super. Ct. Aug. 6, 2002); and (2) is binding upon such an Asbestos Insurance Company for any purpose concerning insurance coverage under any policies issued to any of the Reorganizing Debtors and transferred to the Section 524(g) Trustees in accordance with the provisions hereof. Nothing herein shall limit the ability of the Reorganizing Debtors, the Asbestos Subsidiary Debtors, the Asbestos

Claimants' Committee, the ASARCO Committee, the FCR, an Asbestos Insurance Company or the Section 524(g) Trust to offer the Plan, any of the Plan Documents, the Confirmation Order or any part of the confirmation process (including, without limitation, any evidentiary hearings or any findings or conclusions therein) in any court, including any court resolving any insurance coverage litigation, as evidence that the Reorganizing Debtors, the Reorganized Debtors, or the Section 524(g) Trust are so bound.

(c) Nothing in the Plan shall operate to expand the rights of the Reorganizing Debtors, any of the Asbestos Subsidiary Debtors, the Asbestos Claimants' Committee, the ASARCO Committee, the FCR, an Asbestos Insurance Company or the Section 524(g) Trust, or diminish any of their respective duties and obligations as to those rights, duties and obligations that exist under any policies issued by an Asbestos Insurance Company that is subject to insurance neutrality under the Bankruptcy Court's Insurance Neutrality Order as of the Petition Date except as set out in Article 13.5(f) below. Moreover, nothing in the Confirmation process shall in any way operate to, or have the effect of, impairing, prejudicing or expanding such Asbestos Insurance Company's legal, equitable, or contractual rights in any respect, or of increasing, accelerating, creating, or triggering such Asbestos Insurance Company's insurance coverage obligations, if any, in comparison to what those respective rights or obligations would have been if the Plan had not been confirmed except as set out in Article 13.5(f) below; and all of such Asbestos Insurance Company's rights are expressly reserved and preserved. Such Asbestos Insurance Company's rights shall be determined pursuant to its insurance policies with the applicable Reorganizing Debtors, and under applicable law. Such Asbestos Insurance Company's rights to conduct discovery, either written or oral, in any future proceeding in any insurance coverage litigation relating to the Reorganizing Debtors' asbestos-related liabilities for or such Asbestos Insurance Company's obligations to indemnify the applicable Reorganizing Debtors on account of any or all of such asbestos-related liabilities, if any, shall not be affected, restricted, expanded, altered or modified by anything in or part of the Plan or the Confirmation process. An Asbestos Insurance Company shall have no such discovery rights in any of the Reorganization Cases; provided, however, that such Asbestos Insurance Company shall have rights to conduct discovery in the Reorganization Cases on any issue that does not relate to an Asbestos Insurance Company's alleged obligations, if any, to indemnify the applicable Reorganizing Debtors on account of any asbestos-related liabilities. Without limiting the foregoing, except as set out in Article 13.5(f) below, no proceedings undertaken pursuant to or otherwise as part of the Confirmation process (including without limitation, any evidentiary hearings or any findings or conclusions constituting or relating to the determination of any Alter Ego Theories, contained in or referenced in any decision, order, finding, conclusion or judgment of the Bankruptcy Court) shall constitute a trial or hearing on the merits, or an adjudication, Final Order, settlement, or finding of liability binding on such Asbestos Insurance Company for any purpose concerning insurance coverage for asbestos-related liability, or be used as evidence or offered into evidence in any proceeding to prove that such Asbestos Insurance Company participated in and/or consented to the procedures undertaken pursuant to the Plan. Any ruling by the Bankruptcy Court on any issue upon which such Asbestos Insurance Company does not involve itself and the Confirmation Order shall not be binding on such Asbestos Insurance Company in any insurance coverage litigation. While the court and the finder of fact in any insurance coverage litigation may be advised of any of the proceedings and Confirmation Order in the Bankruptcy Court and while the Reorganizing Debtors, the Asbestos Subsidiary Debtors, the Asbestos Claimants' Committee, the ASARCO Committee, the FCR, an Asbestos Insurance

Company or the Section 524(g) Trust may offer the Plan, any of the Plan Documents, any of the Confirmation proceedings, or the Confirmation Order as evidence of the reasonableness of a settlement between or among the Reorganizing Debtors, the ASARCO Committee, and the FCR, the court and the finder of fact in any insurance coverage litigation shall be informed or instructed that such proceedings and the Confirmation Order in the Bankruptcy Court are not binding on such Asbestos Insurance Company and that it is up to the court or the finder of fact in any insurance coverage litigation to make its own independent determination as to the reasonableness of that settlement as to such Asbestos Insurance Company.

(d) With regard to any Asbestos Insurance Company that is subject to insurance neutrality under the Bankruptcy Court's Insurance Neutrality Order, nothing in or part of the Plan and the Confirmation process shall be deemed to be an "adversarial process" as that concept was enunciated in *Gandy v. State Farm Fire & Cas. Co.*, 925 S.W.2d 696 (Tex. 1996). To the extent of any insurance coverage obligation under any policies issued by such Asbestos Insurance Company, all such Asbestos Insurance Companies reserve all of their rights, if any, to adjudicate in a fully "adversarial" trial or hearing on the merits any or all of the Reorganizing Debtors' asbestos-related liabilities including, without limitation, any liability with respect to any individual asbestos claim; and any other party reserves all of its rights, if any, to oppose such Asbestos Insurance Company's assertion of any such right.

(e) That an Asbestos Insurance Company that is subject to insurance neutrality under the Bankruptcy Court's Insurance Neutrality Order does not participate in the negotiation, nor the Confirmation, of the Plan shall not be held against or in favor of any person or entity in any pending or subsequent insurance coverage litigation, arbitration, ADR-type proceeding, or other dispute concerning the existence and/or scope of such Asbestos Insurance Company's rights and/or obligations regarding asbestos-related liabilities, if any, except to rebut any argument affirmatively raised by such Asbestos Insurance Company that such Asbestos Insurance Company's absence from the reorganization proceedings reflects collusion against and/or a lack of cooperation with such Asbestos Insurance Company. Notwithstanding the foregoing, such Asbestos Insurance Company may assert in any such pending or subsequent insurance coverage litigation, arbitration, ADR-type proceeding, or other dispute concerning the existence and/or scope of such Asbestos Insurance Company's rights and/or obligations regarding asbestos-related liabilities, if any, any coverage defenses based on collusion against and/or lack of cooperation with such Asbestos Insurance Company on any basis other than such Asbestos Insurance Company's absence from the Reorganization Cases.

(f) Any of the Reorganizing Debtors, the Asbestos Subsidiary Debtors, the Asbestos Claimants' Committee, the ASARCO Committee, the FCR, an Asbestos Insurance Company, or the Section 524(g) Trust may offer in any court, including any court resolving any insurance coverage litigation, any relevant portion of the Plan and any of the Plan Documents and/or the Confirmation Order for any purpose including, without limitation, that the Plan was a reasonable settlement; provided, however, such offer shall be subject to the rights, defenses (including affirmative defenses) and objections, if any, of the Reorganizing Debtors, the Asbestos Subsidiary Debtors, the Asbestos Claimants' Committee, the ASARCO Committee, the FCR, an Asbestos Insurance Company and the Section 524(g) Trust.

ARTICLE XIV

PROVISIONS GOVERNING DISTRIBUTIONS

14.1 Plan Distributions. All distributions or payments required or permitted to be made under the Plan, other than to holders of Asbestos Personal Injury Claims and Demands and/or Professional Persons, shall be made by the Plan Administrator on the Initial Distribution Date and thereafter by the Plan Administrator at the time or times and in the manner provided herein, unless otherwise ordered by the Bankruptcy Court. If the Section 524(g) Treatment goes into effect, distributions to holders of Asbestos Personal Injury Claims and Demands shall be made by the Section 524(g) Trust in accordance with the Section 524(g) Trust Documents; otherwise, distributions to holders of Asbestos Personal Injury Claims shall be made by the Asbestos Claims Trust in accordance with the Asbestos Claims Trust Documents. Distributions to Professional Persons shall be made by the Plan Administrator on the Initial Distribution Date and thereafter by the Plan Administrator pursuant to order of the Bankruptcy Court. Distributions to be made on the Effective Date shall be deemed actually made on the Effective Date if made either (a) on the Effective Date or (b) as soon as reasonably practicable thereafter.

14.2 Plan Administrator. Not less than ten days prior to commencement of the Confirmation Hearing, and subject to Bankruptcy Court approval in connection with Confirmation of the Plan, the Plan Sponsors shall designate the Entity that shall initially serve as the Plan Administrator (which entity shall not be an Affiliate of the Plan Sponsors). The Plan Administrator shall serve without bond, and may employ or contract with other Persons to assist in the performance of the Plan Administrator's duties, which shall be set forth in the Plan Administration Agreement. The Plan Administrator shall receive, without further Bankruptcy Court approval, reasonable compensation for such services and reimbursement of reasonable out-of-pocket expenses incurred in connection with such services. On the Effective Date, the Plan Sponsors shall (a) place in the Plan Administration Account sufficient Cash to pay for the Plan Administrator's estimated compensation and expenses and all other anticipated costs of administration of the Plan; and (b) fund the Miscellaneous Plan Administration Accounts. Upon completion of the Plan Administrator's other responsibilities under the Plan, any funds remaining in the Plan Administration Account and the Miscellaneous Plan Administration Accounts shall be distributed as a Subsequent Distribution to Reorganized ASARCO.

14.3 Delivery of Distributions. Except as otherwise expressly provided in the Plan, distributions to holders of Allowed Claims shall be made at the address of the holder of such Claim as indicated in the claims register maintained by the Claims Agent. Nonetheless, if such holder holds such ~~Claim~~Claims through a ~~nominee~~Nominee, distributions with respect to such ~~Claim~~Claims shall be made to such ~~nominee~~Nominee, and such ~~nominee~~Nominee shall, in turn, make appropriate distributions and book entries to reflect such distributions to such ~~holder; provided, however, that where an Indenture Trustee is acting on behalf of certain Bondholders, distributions on account of those Bondholders' Claims shall be made to such Indenture Trustee for its subsequent distribution, subject to the terms and conditions of the applicable indenture or other governing document, to the holders of such Claims~~holders. Payments may be made at the election of Reorganized ASARCO or the Plan Administrator by check, wire transfer, or the customary method used for payment by ASARCO prior to the Petition Date.

All distributions on account of Allowed Bondholders' Claims shall be made: (i) to the respective Indenture Trustee for the particular issue of Bonds, as the case may be; or (ii) with the prior written consent of the Indenture Trustee, through the facilities of DTC (if applicable). If a distribution is made to the Indenture Trustee, such Indenture Trustee shall administer the distribution in accordance with the Plan and the Indenture and shall be compensated for all of its services and disbursements related to distributions pursuant to the Plan (and for the related fees and expenses of any counsel or professional engaged by the Indenture Trustee with respect to administering or implementing such distributions), by the Plan Sponsors, Reorganizing Debtors, Reorganized Debtors, the Plan Administrator, as appropriate, in the ordinary course upon the presentation of invoices by such Indenture Trustee. Subject to the procedures set forth in Article 4.2(d), the compensation of the Indenture Trustees for services relating to distributions under the Plan shall be made without the need for filing any application or request with, or approval by, the Bankruptcy Court.

An Indenture Trustee shall not be required to give any bond, surety, or other security for the performance of its duties with respect to the administration and implementation of distributions.

As set forth in Section 4.2, any and all distributions on account of Allowed Bondholders' Claims shall be subject to the right of the respective Indenture Trustee to exercise its Charging Lien for any unpaid Indenture Trustee Fee Claim, any fees and expenses of an Indenture Trustee incurred in making distributions pursuant to the Plan, and any fees and expenses of Indenture Trustee incurred in responding to any objection by the Debtors to an Indenture Trustee Fee Claim.

The exercise of an Indenture Trustee's Charging Lien against a distribution to recover payment of any unpaid Indenture Trustee Fee Claim shall not subject the Indenture Trustee to the jurisdiction of the Bankruptcy Court with respect to either the exercise of the Charging Lien or the fees and costs recovered thereby.

Notwithstanding any of the foregoing, nothing herein shall be deemed to impair, waive, or extinguish any rights of the Indenture Trustees under their respective Indentures with respect to the Charging Lien

Notwithstanding any of the foregoing, nothing herein shall be deemed to impair, waive, or extinguish any rights of the Indenture Trustees under their respective Indentures with respect to the Charging Lien. Payments may be made at the election of Reorganized ASARCO or the Plan Administrator by check, wire transfer, or the customary method used for payment by ASARCO prior to the Petition Date.

14.4 Distribution Record Date. Reorganized ASARCO and the Plan Administrator shall have no obligation to recognize the transfer of, or the sale of any participation in, any Allowed Claim that occurs after the Distribution Record Date and shall be entitled for all purposes herein to recognize and make distributions only to those holders of Allowed Claims that are holders of such Claims or participants therein, as of the Distribution Record Date. As of the close of business on the Distribution Record Date, each transfer register for the Bonds, as maintained by the applicable Indenture Trustee, shall be closed. Reorganized

ASARCO and the Plan Administrator shall have no obligation, and are not permitted, to recognize the transfer or sale of any Bondholder Claim that occurs after the close of business on the Distribution Record Date and shall be entitled for all purposes herein to recognize and make distributions only to those holders who are holders of such Claims as of the close of business on the Distribution Record Date; provided, however, that with respect to Bondholders' Claims, further distributions on account of such Claims by the Indenture Trustees to the record holders of the Bondholders' Claims shall not be made as of the Distribution Record Date but rather shall be accomplished in accordance with the respective Indentures and the policies and procedures of DTC.

14.5 Unclaimed Property.

(a) *Distributions by the Section 524(g) Trust or Asbestos Claims Trust.*

Any Cash, assets, or other property to be distributed under the Plan by the Section 524(g) Trust or Asbestos Claims Trust, as applicable, that remains unclaimed (including by a Claimant's failure to draw upon a check issued to such Claimant) or otherwise is not deliverable to the Claimant entitled thereto one year after the initial distribution is made or attempted shall become vested in, and shall be transferred and delivered to, the Section 524(g) Trust or Asbestos Claims Trust, as applicable, for use in accordance with the terms of the Section 524(g) Trust Documents or Asbestos Claims Trust Documents, as applicable.

(b) *Distributions by the Plan Administrator.*

(1) If the distribution to any holder of an Allowed Claim ~~(other than the holder of an Asbestos Personal Injury Claim or Demand)~~ is returned to Reorganized ASARCO or the Plan Administrator as undeliverable or is otherwise unclaimed (including by a Claimant's failure to draw upon a check issued to such Claimant), no further distributions shall be made to such holder unless the Plan Administrator is timely notified in writing of the holder's then current address, at which time, all missed distributions shall be made to such holder without interest. The amounts in respect of such undeliverable and/or unclaimed distributions shall be returned to the Plan Administrator until such distributions are claimed. The Plan Administrator ~~will~~shall segregate and deposit into an escrow account (the "Undeliverable and Unclaimed Distribution Reserve") all undeliverable and/or unclaimed distributions for the benefit of all such similarly situated Persons until such time as a distribution becomes deliverable or is claimed or such Claimant's right to the distribution is waived pursuant to Article 14.5(b)(2) below. Nothing contained in the Plan shall require the Reorganized Debtors or the Plan Administrator to attempt to locate any holder of an Allowed Claim.

(2) Any funds in the Undeliverable and Unclaimed Distribution Reserve that remain unclaimed (including by a Claimant's failure to negotiate a check issued to such Claimant) or otherwise are not deliverable to the Claimant entitled thereto one year after the initial distribution is made or attempted (the "Forfeited Distributions") shall become vested in, and shall be transferred and delivered to, the Plan Administrator. In such event, such Claimant shall be deemed to have waived its rights to such payments

or distributions under the Plan pursuant to section 1143 of the Bankruptcy Code, shall have no further Claim in respect of such distribution, and shall not participate in any further distributions under the Plan with respect to such Claim. The Plan Administrator shall distribute the Forfeited Distributions to Reorganized ASARCO as a Subsequent Distribution.

14.6 Compliance with Tax Requirements. The Reorganized Debtors, the Plan Administrator and the Section 524(g) Trust shall comply with all applicable withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authorities, and all distributions hereunder or under any Plan Document shall be subject to such withholding and reporting requirements, if any. Notwithstanding any other provision of the Plan, each Person receiving a distribution pursuant to the Plan, or any other Plan Document, ~~will~~shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Authority, including income and other tax obligations, on account of that distribution.

14.7 Setoffs and Recoupments. Subject to the limitations provided in section 553 of the Bankruptcy Code, the applicable Reorganized Debtor or the Plan Administrator, as the case may be, may, but shall not be required to, offset against or recoup from the holder of any Allowed Claim on which payments or other distributions are to be made pursuant to the Plan any Claims of any nature whatsoever the Estate of the applicable Reorganizing Debtor may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by such Reorganized Debtor or the Plan Administrator, as the case may be, of any such Claim against such holder or right of setoff or recoupment that the applicable Estate may have against the holder of such Allowed Claim.

14.8 No Distribution Pending Allowance. If a Claim or any portion of a Claim is disputed, no payment or distribution will be made on account of the disputed portion of such Claim (or the entire Claim, if the entire Claim is disputed), unless such Disputed Claim becomes an Allowed Claim.

14.9 Disputed Claims Reserve.

(a) The Plan Administrator shall maintain, in accordance with its powers and responsibilities under the Plan, a Disputed Claims Reserve.

(b) On the Effective Date (or as soon thereafter as is reasonably practicable), Reorganized ASARCO or the Plan Administrator, as the case may be, shall deposit Cash and/or other forms of consideration in the Disputed Claim Reserve that would have been distributed to the holders of Disputed Claims if such Disputed Claims had been Allowed Claims on the Effective Date. This amount will be determined based on the lesser of (1) the asserted amount of the Disputed Claims in the applicable Proofs of Claim, (2) the amount, if any, estimated by the Bankruptcy Court for purposes of distribution pursuant to section 502(c) of the Bankruptcy Code, or (3) the amount otherwise agreed to by the applicable Reorganizing Debtor and the holders of such Disputed Claims.

(c) The Plan Sponsors, Reorganized Debtors, and/or the Plan Administrator may seek Bankruptcy Court approval to reduce the size of the Disputed Claims Reserve based upon the amount of the remaining Disputed Claims or other changed circumstances, ~~including increases in the Reorganized Debtors' cash positions.~~

(d) In the case of objections to allegedly Secured Claims, any Lien asserted by the holder of such a Claim against assets that revert in the applicable Reorganized Debtor shall remain in place, pending resolution of the objection to the allegedly Secured Claim.

(e) The Plan Administrator (at such time as determined to be practicable by the Plan Administrator) shall distribute from the Disputed Claims Reserve to the holder of any Disputed Claim that has become an Allowed Claim, an amount equal to the Allowed Claim as if such Claim had been an Allowed Claim on the Effective Date. With respect to Claims that are Reinstated, the Plan Administrator will distribute from the Disputed Claims Reserve to the holder of any Disputed Claim that is allowed by an unstayed order of a court of competent jurisdiction, not later than the tenth Business Day after the end of the calendar month in which such order is entered, an amount equal to such Claim as if such Claim had been an Allowed Claim on the Effective Date.

(f) If a Disputed Claim is disallowed, in whole or in part, the Plan Administrator shall (at such time as determined to be practicable by the Plan Administrator) distribute as a Subsequent Distribution the Cash reserved in respect of such disallowed Disputed Claim in accordance with the terms and conditions of the Plan and the Confirmation Order.

(g) The Plan Administrator will treat the assets held in the Disputed Claims Reserve as owned by Reorganized ASARCO for U.S. federal income tax purposes (and solely for U.S. federal income tax purposes) and not as a disputed ownership fund within the meaning of Treasury Regulations section 1.468B-9(b)(1). Accordingly, tax on the income from the assets held in the Disputed Claims Reserve will be paid by Reorganized ASARCO or certain of its Affiliates. The Plan Administrator will distribute to Reorganized ASARCO from the Disputed Claims Reserve within 30 days of the close of each calendar year an amount equal to the product of (x) the taxable income of the Disputed Claims Reserve (computed as if the Disputed Claims Reserve were a corporation for U.S. federal income tax purposes) and (y) the sum of (1) highest rate of tax imposed by section 11 of the Internal Revenue Code with respect to such calendar year and (2) five percent.

14.10 Surrender of Bondholder Certificates; Lost Certificates.

At the election of the Plan Sponsors, each Allowed Bondholders' Claim is Paid in Full, each holder of an instrument evidencing an Allowed Bondholder Claim (a "Certificate") shall surrender such Certificate to the Indenture Trustee or the Plan Administrator, as the case may be, and such Certificate shall be cancelled solely with respect to the Reorganizing Debtors and such cancellation shall not alter the obligations or rights of any non-Debtor parties as between or among such persons pursuant to such instruments. No distribution of property hereunder shall be made to such holder unless and until such Certificate is received by the Indenture Trustee or the Plan Administrator, as the case may be, or the unavailability of such Certificate is established to the reasonable satisfaction of such Indenture Trustee or the Plan Administrator. Any holder who

fails to surrender or cause the surrender of such Certificate, or fails to execute and deliver an affidavit of loss and indemnity reasonable satisfactory to the Indenture Trustee or the Plan Administrator, as the case may be, prior to the second anniversary of the Effective Date shall be deemed to have forfeited all rights and Claims in respect of such Certificate and shall not participate in any distribution under the Plan, and all property in respect of such forfeited distribution shall be subject to distribution to all other holders of Claims under such Indenture who have duly surrendered or caused the surrender of their Certificates or reasonably established the unavailability thereof.

Any holder of an Allowed Bondholders' Claim with respect to which the underlying Certificate has been lost, stolen, mutilated or destroyed must, in lieu of surrendering such Certificate, deliver to the Indenture Trustee or the Plan Administrator, as the case may be: (1) evidence satisfactory to the Indenture Trustee or the Plan Administrator, as the case may be, of the loss, theft, mutilation or destruction; and (ii) such security or indemnity as may be required by the Indenture Trustee or the Plan Administrator, as the case may be, to hold it and the Reorganizing Debtors harmless from any damages, liabilities or costs incurred in treating such individual as a holder of such Certificate. Upon compliance with this Section by a holder of an Allowed Bondholders' Claim, such holder shall, for all purposes under the Plan, be deemed to have surrendered the applicable Certificate.

Any holder of a Certificate that fails to surrender or is deemed not to have surrendered the applicable Certificate within the time prescribed in the second subparagraph of this Section shall be deemed to have had its right to distributions pursuant to the Plan on account thereof discharged, and shall be forever barred from asserting any such Claim against any of the Plan Sponsors, the Reorganizing Debtors, the Reorganized Debtors, the Plan Administrator, the Indenture Trustees, or any of the foregoing's respective property.

Notwithstanding the foregoing, if the record holder of a Bondholders' Claim is DTC or its nominee or such other securities depository or custodian thereof, or if a Bondholders' Claim is held in book-entry or electronic form pursuant to a global security held by DTC, then the beneficial holder of such an Allowed Bondholders' Claim shall be deemed to have surrendered such holder's security, note, debenture or other evidence of indebtedness upon surrender of such global security by DTC or such other securities depository or custodian thereof.

14.11 Cancellation of Instruments.

If, at the election of the Plan Sponsors, each Allowed Bondholders' Claim is Paid in Full, unless otherwise provided for herein, on the Effective Date, all promissory notes, instruments, indentures, bonds, agreements, or other documents evidencing, giving rise to, or governing any Claim against the Debtors (including the Indenture and the Bonds) shall be deemed cancelled and shall represent only the right, if any, to participate in the distributions contemplated by this Plan. Notwithstanding the foregoing and anything else contained in the Plan, the Indentures will continue in effect solely for the purposes of (i) allowing distributions to be made under the Plan pursuant to the Indentures and the Indenture Trustees to perform such other necessary functions with respect thereto and to have the benefit of all the protections and other provisions of the applicable Indentures in doing so; (ii) permitting an Indenture Trustee to maintain or assert any right or Charging Lien it may have with respect to distributions pursuant to the terms of this Plan

for Indenture Trustee Fee Claims; (iii) permitting the Indenture Trustees to assert, in accordance with the terms of the Plan and Confirmation Order, any right to indemnification, contribution or other Claim any one of them may have under the applicable Indentures, subject to any and all defenses the Debtors may have under the Plan and applicable law to any such asserted right or Claims; and (iv) permitting each Indenture Trustee to exercise, in accordance with the terms of the Plan and Confirmation Order, its rights and obligations relating to the interests of the holders of Bondholders' Claims and its relationship with the holders of Bondholders' Claims pursuant to the applicable Indenture, including its right to appear and be heard in these Chapter 11 cases and any appeals.

ARTICLE XV

PROCEDURES FOR TREATING DISPUTED CLAIMS

15.1 Objections to Claims. After the Effective Date, the Reorganized Debtors and the Plan Administrator shall have the exclusive right to file objections to Claims (other than, to the extent the Section 524(g) Treatment goes into effect, objections to Asbestos Personal Injury Claims and Demands, and objections to Claims that have been Allowed by Final Order) and litigate to judgment, settle, or withdraw such objections to Disputed Claims (including any Claims subject to a pending estimation motion). Without limiting the preceding, the Reorganized Debtors and the Plan Administrator shall have the right to litigate any Disputed Claim either in the Bankruptcy Court or in any court of competent jurisdiction. After the Effective Date, if the Section 524(g) Treatment goes into effect, only the Section 524(g) Trust shall have the authority to file objections to Asbestos Personal Injury Claims and Demands and litigate to judgment, settle, or withdraw such objections, and Asbestos Personal Injury Claims and Demands, whether or not a Proof of Claim is filed, shall be satisfied exclusively in accordance with the Plan, the Section 524(g) Trust Agreement, and the Section 524(g) Trust Distribution Protocol. For the avoidance of doubt, if the Section 524(g) Treatment goes into effect, no objection to Asbestos Personal Injury Claims or Demands shall be filed in the Bankruptcy Court.

15.2 Objection Deadline. Within the later of (a) 90 days after the Confirmation Date or (b) 90 days after a Proof of Claim is filed, objections to Claims (other than, if the Section 524(g) Treatment goes into effect, Asbestos Personal Injury Claims and Demands, which shall be Allowed or disallowed as provided in the Section 524(g) Trust Distribution Protocol) shall be filed with the Bankruptcy Court; provided, however, that the Reorganized Debtors and/or the Plan Administrator may seek to extend such period (or any extended period) for cause.

15.3 Disallowance of Improperly Filed Claims. Any Administrative Claim or other Claim (except for, if the Section 524(g) Treatment goes into effect, an Asbestos Personal Injury Claim or a Demand) for which the filing of a motion for allowance is required shall be disallowed if such filing is not timely and properly made, subject to the right of the Claimant to seek permission under applicable law to file a late claim. Any Administrative Claim timely filed on the Proof of Administrative Claim (found in Exhibit B to Docket #8549) pursuant to Docket #8549 shall not require a motion for allowance.

15.4 Pre-Effective Date Settlements. Any Claims that were Allowed as a result of a settlement that was approved by the Bankruptcy Court from and after September 23, 2008 over the objection of the Plan Sponsors, where the Allowed amount of such Claims, individually or in the aggregate, shall be in excess of \$10 million (including, without limitation, the Debtors' Proposed Asbestos Settlement or any settlements relating to Environmental Claims other than those relating to the Previously Settled Environmental Claims) shall not be Allowed Claims for purpose of the Plan but shall be treated as Disputed Claims.

ARTICLE XVI

MISCELLANEOUS

16.1 General Retention of Jurisdiction. Until the Reorganization Cases are closed, the Bankruptcy Court (and, with respect to the Permanent Channeling Injunction and the Asbestos Insurance Company Injunction, the District Court) shall retain the fullest and most extensive jurisdiction permissible, including, without limitation, that necessary (a) to ensure that the purposes and intent of the Plan are carried out, (b) to enforce and interpret the terms and conditions of the Plan Documents, and (c) to enter such orders or judgments, including, without limitation, injunctions necessary to enforce the rights, title, and powers of the Reorganizing Debtors, the Reorganized Debtors, a Settling Asbestos Insurance Company, the Plan Sponsors and/or other ASARCO Protected Party. Except as otherwise provided in the Plan, the Bankruptcy Court shall retain jurisdiction to hear and determine all Claims against and Interests in the Reorganizing Debtors and to adjudicate and enforce all other causes of action that may exist on behalf of the Reorganizing Debtors. Nothing contained herein shall prevent the Reorganized Debtors, the Plan Administrator, the Plan Sponsors, either the Section 524(g) Trustees or the Asbestos Claims Trustees, as the case may be, or the Environmental Liquidation Trustee (as appropriate) from taking such action as may be necessary in the enforcement of any cause of action that such Entity has or may have and that may not have been enforced or prosecuted by the applicable Reorganizing Debtor, which cause of action shall survive entry of the Confirmation Order and occurrence of the Effective Date and shall not be affected thereby except as specifically provided herein.

16.2 Jurisdiction over the Section 524(g) Trust. The Section 524(g) Trust shall be subject to the continuing jurisdiction of the Bankruptcy Court in accordance with the requirements of section 468B of the Internal Revenue Code and the regulations issued pursuant thereto.

16.3 Specific Purposes. Without limiting the effect of Articles 16.1 and 16.2, the Bankruptcy Court shall retain jurisdiction after Confirmation to:

- (a) modify the Plan after entry of the Confirmation Order, pursuant to the provisions of the Plan, the Bankruptcy Code, and the Bankruptcy Rules;
- (b) correct any defect, cure any omission, reconcile any inconsistency, or make any other necessary changes or modifications in or to the Plan, the Plan Documents, or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan;

(c) hear and determine any cause of action, and to enter and implement such orders as may be necessary or appropriate, to execute, interpret, implement, consummate, or enforce the Plan, the Plan Documents and the transactions contemplated thereunder;

(d) hear and determine disputes arising in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan, including, without limitation, the Plan Documents, and to enforce, including by specific performance, the provisions of the Plan and the Plan Documents;

(e) hear and determine disputes arising in connection with the execution, interpretation, implementation, consummation, or enforcement of the settlement agreements, asset purchase agreements or other agreements entered into by any of the Reorganizing Debtors during the Reorganization Cases (the “Other Agreements”), or to enforce, including by specific performance, the provisions of the Other Agreements;

(f) enter and implement orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with the consummation or implementation of the Plan, including, without limitation, to issue, administer, and enforce injunctions, releases, assignments, transfers of property or property rights, or other obligations contained in the Plan and the Confirmation Order;

(g) assure the performance by the Reorganized Debtors, the Plan Administrator and the Trustees of their respective obligations to make distributions under the Plan and other Plan Documents;

(h) enter such orders or judgments, including injunctions, as necessary to enforce the title, rights, and powers of any of the Reorganizing Debtors, the Reorganized Debtors, the Plan Sponsors, the Plan Administrator or the Trusts;

(i) hear and determine any and all motions, applications or adversary proceedings brought by or against the Trusts related to (1) enforcement or interpretation of the Trust Documents and (2) amendment, modification, alteration or repeal of any provision of the Trust Documents, if such hearing and determination by the Bankruptcy Court is required pursuant to the Plan;

(j) hear and determine any and all adversary proceedings, applications, and contested matters, including any remands after appeal;

(k) ensure that distributions to holders of Allowed Claims and Demands are accomplished as provided herein;

(l) reduce the size of the Disputed Claims Reserve based upon the amount of the remaining Disputed Claims or other changed circumstances, including increases in the Reorganized Debtors’ cash positions;

(m) hear and determine any timely objections to or motions or applications concerning Claims or the allowance, classification, priority, compromise, setoff, estimation, or

payment of any Claim, to the fullest extent permitted by the provisions of section 157 of title 28 of the United States Code;

(n) enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, reversed, or vacated;

(o) hear and determine any motions, contested matters or adversary proceedings involving taxes, tax refunds, tax attributes, tax benefits, and similar or related matters with respect to any of the Reorganizing Debtors, the Reorganized Debtors, the Plan Administrator and/or the Trusts arising on or prior to the Effective Date, arising on account of transactions contemplated by the Plan Documents, or relating to the period of administration of the Reorganization Cases;

(p) hear and determine all applications for compensation of Professional Persons and reimbursement of expenses under sections 330, 331, or 503(b) of the Bankruptcy Code;

(q) hear and determine any causes of action relating to any of the Reorganizing Debtors, the Reorganized Debtors or the Trusts to the fullest extent permitted by section 157 of title 28 of the United States Code;

(r) hear and determine any cause of action in any way related to the Plan Documents or the transactions contemplated thereby, against the ASARCO Protected Parties;

(s) recover all assets of each of the Reorganizing Debtors and property of their Estates, wherever located, including actions under chapter 5 of the Bankruptcy Code;

(t) hear and determine any and all motions pending as of the Confirmation Date for the rejection, assumption, or assignment of executory contracts or unexpired leases and the allowance of any Claim resulting therefrom;

(u) hear and determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(v) consider and act on the compromise and settlement of any Claim against, or Interest in, any of the Reorganizing Debtors or their respective Estates including, without limitation, any disputes relating to any Administrative Claims, any Bar Date, or Bar Date Order;

(w) hear and determine all questions and disputes regarding title to the assets of any of the Reorganizing Debtors, their respective Estates or the Trusts;

(x) hear and determine any other matters related hereto, including the implementation and enforcement of all orders entered by the Bankruptcy Court in the Reorganization Cases;

(y) retain continuing jurisdiction with regard to the Section 524(g) Trust sufficient to satisfy the requirements of Treasury Regulation section 1.468B;

(z) hear and determine any and all applications brought by the Section 524(g) Trustees to amend, modify, alter, or repeal any provision of the Section 524(g) Trust Agreement or the Section 524(g) Trust Distribution Protocol pursuant to the Section 524(g) Trust Agreement and to declare or resolve all issues or disputes contemplated by the Section 524(g) Trust Agreement;

(aa) enter and implement orders extending the Asbestos Insurance Company Injunction to insurance companies that become Settling Asbestos Insurance Companies after the Effective Date;

(bb) enter such orders as are necessary to implement and enforce the Injunctions; and

(cc) hear and determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code that may arise in connection with or are related to the Plan.

16.4 Exclusive Jurisdiction of District Court for Certain Matters.

(a) The District Court shall, without regard to the amount in controversy, retain exclusive jurisdiction after Confirmation over matters relating to section 524(g) of the Bankruptcy Code and the Permanent Channeling Injunction and the Asbestos Insurance Company Injunction, including, without limitation, the validity, application, or construction of the Permanent Channeling Injunction and the Asbestos Insurance Company Injunction, or of section 524(g) of the Bankruptcy Code with respect to the Permanent Channeling Injunction and the Asbestos Insurance Company Injunction; provided, however, that, from and after the Effective Date, the jurisdiction of the District Court shall be non-exclusive with respect to any Asbestos Insurance Action or Asbestos Insurance Recovery. Nothing contained herein shall be deemed a finding or conclusion that: (a) the Bankruptcy Court or District Court in fact have jurisdiction with respect to any Asbestos Insurance Action or Asbestos Insurance Recovery; (b) any such jurisdiction is exclusive with respect to any Asbestos Insurance Action or Asbestos Insurance Recovery; or (c) abstention or dismissal or reference of actions effecting the transfer of jurisdiction of any Asbestos Insurance Action or Asbestos Insurance Recovery pending in the Bankruptcy Court or District Court to another court is precluded, inadvisable or unwarranted. Any court other than the Bankruptcy Court or the District Court that has or is capable of having jurisdiction over any Asbestos Insurance Action or Asbestos Insurance Recovery shall have the right to exercise such jurisdiction.

(b) Notwithstanding entry of the Confirmation Order and/or the occurrence of the Effective Date, the reference to the Bankruptcy Court pursuant to the Reference Order shall continue, but subject to this Article 16.4 and any other modifications or withdrawals of the reference specified in the Confirmation Order, the Reference Order, any case management order or other order of the District Court.

16.5 Post-Effective Date Status of the Committees and the FCR. The Committees and the position of the FCR shall continue in existence until the Effective Date, with ASARCO to pay the reasonable fees and expenses of the Committees and the FCR through the

Effective Date in accordance with the fee and expense procedures promulgated during the Reorganization Cases. The Committees and the FCR shall have standing to participate in proceedings brought by their respective professionals or, if applicable, members, for allowance of fees and/or reimbursement of expenses as permitted by law. Except as provided above, the Committees shall be dissolved on the Effective Date, and the members, attorneys, accountants, and other professionals thereof shall be released and discharged of and from all further authority, duties, responsibilities, liabilities, and obligations related to, or arising from, the Reorganization Cases.

16.6 Modification of Plan. The Plan Sponsors may alter, amend or modify the Plan under section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date. After the Confirmation Date, the Plan Sponsors or the Reorganized Debtors, as the case may be, may, under section 1127(b) of the Bankruptcy Code, seek Bankruptcy Court approval to remedy any defects or omissions or reconcile any inconsistencies in the Plan or the Confirmation Order in such manner as may be necessary to carry out the purposes and intent of the Plan, so long as the proposed alteration, amendment or modification does not adversely affect the treatment of Claims or Interests under the Plan.

16.7 Non-Consummation. If the Plan is not Confirmed by a Final Order, or if the Plan is Confirmed and does not become effective, the rights of all parties in interest in the Reorganizing Debtors' chapter 11 cases, including the Plan Sponsors, are and will be reserved in full. Any concessions or settlements reflected herein (if any), are made for purposes of the Plan only, and if the Plan does not become effective, then (i) no party in interest shall be bound or deemed prejudiced by any such concession or settlement, (ii) the Plan shall be null and void in all respects, (iii) any settlement or compromise embodied in the Plan, assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null and void, (iv) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall prejudice in any manner the rights of the Plan Sponsors or constitute an admission or waiver of any sort by the Plan Sponsors, and (v) the structure of the Plan and the classification of creditors or groups of creditors within one Class contained herein shall have no evidentiary or precedential effect.

16.8 Entire Agreement. Except as otherwise expressly provided in the Plan or the Plan Documents, the Plan and the Plan Documents set forth the entire agreement and undertakings relating to the subject matter thereof and supersede all prior discussions and documents.

16.9 Rules Governing Conflicts Between Documents. In the event of a conflict between the terms or provisions of the Plan and the Plan Documents, the terms of the Plan shall control over the Plan Documents. In the event of a conflict between the terms of the Plan or the Plan Documents, on the one hand, and the terms of the Confirmation Order, on the other hand, the terms of the Confirmation Order shall control.

16.10 Severability. In the event any provision in the Plan should be determined to be unenforceable either on its face or as applied to any Claim, Demand, Interest or transaction, the Plan Sponsors may modify the Plan in accordance with Article 16.6 hereof so that such provision shall not be applicable to the holder of any Claim, Demand, Interest, or transaction.

Such determination of unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the re-solicitation of any acceptance or rejection of the Plan.

16.11 Headings. Headings are utilized in the Plan for convenience and reference only and shall not constitute a part of the Plan for any other purpose.

16.12 Bar Date for Compensation and Reimbursement Claims. All applications for final allowances of compensation or reimbursement of expenses under section 330 of the Bankruptcy Code or applications for allowance of Administrative Claims arising under subsections (b)(2) through (b)(6) of section 503(b) of the Bankruptcy Code must be filed on or before 90 days after the Effective Date, unless otherwise ordered by the Bankruptcy Court; save and except that any application under section 503(b)(3)(D) of the Bankruptcy Code or any application for a fee enhancement or success fee under the Bankruptcy Code must be filed on or before 60 days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Objections to applications of such Professionals Persons or other Entities for compensation or reimbursement of costs and expenses or for substantial contribution Claims must be filed within twenty days after the applicable application for compensation or reimbursement was filed.

16.13 Subsequent Administrative Claims Bar Date. Claimants, other than Professionals Persons, holding Administrative Claims against any of the Reorganizing Debtors that arise after the Initial Administrative Claims Bar Date (a “Subsequent Administrative Claim”) that remain unpaid on the Effective Date must file a request for payment of Subsequent Administrative Claim on or before 45 days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Any holder of a Subsequent Administrative Claim that is required to file a request for payment of such Claim and that does not file such request prior to the Subsequent Administrative Claims Bar Date will be forever barred from asserting such Subsequent Administrative Claim against any of the Reorganizing Debtors, any of the Reorganized Debtors or their respective properties, and such Subsequent Administrative Claim will be deemed discharged as of the Effective Date. Objections to Subsequent Administrative Claims must be filed with the Bankruptcy Court within 20 days after the applicable Subsequent Administrative Claim was filed, unless such objection deadline is extended by the Bankruptcy Court. Any Subsequent Administrative Claims of the United States or any individual state under civil Environmental Laws relating to the Designated Properties shall be addressed through Environmental Liquidation Trust.

16.14 Governing Law. Except to the extent that federal law (including, without limitation, the Bankruptcy Code and the Bankruptcy Rules) is applicable or the Plan provides otherwise, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without giving effect to its conflicts of law principles.

16.15 Consent to Jurisdiction. Except for the matters within the exclusive jurisdiction of the District Court as described in Article 16.4 hereof, the Reorganizing Debtors, the Reorganized Debtors, the Plan Administrator, the Trustees, the Trusts, the Section 524(g) Trust Advisory Committee, and the FCR consent to the jurisdiction of the Bankruptcy Court, or any successor thereto, for all proceedings relating to the enforcement of the Plan and/or the Plan

Documents, the Confirmation Order and the Asbestos Insurance Company Injunction. As to the matters within the exclusive jurisdiction of the District Court as described in Article 16.4 hereof, the Reorganizing Debtors, the Reorganized Debtors, the Plan Administrator, the Section 524(g) Trustees, the Section 524(g) Trust, the Section 524(g) Trust Advisory Committee, and the FCR consent to the jurisdiction of the District Court, or any successor thereto, and agree that it shall be the preferred forum for all matters within the exclusive jurisdiction of the District Court as described in Article 16.4.

16.16 Transfer Taxes. The issuance, transfer, or exchange of any of the securities issued under, or the transfer of any other assets or property pursuant to, or in connection with, the Plan or the making or delivery of an instrument of transfer under, or in connection with, the Plan shall not, pursuant to section 1146 of the Bankruptcy Code, be taxed under any law imposing a stamp tax, transfer tax, or other similar tax.

16.17 Recordable Order. The Confirmation Order shall be deemed to be in recordable form, and shall be accepted by any recording officer for filing and recording purposes without further or additional orders, certifications, or other supporting documents.

16.18 Successors and Assigns. The rights, duties, and obligations of any Entity named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such Entity.

16.19 Waiver of Rights. Holders of Claims, Demands or Interests shall have the right voluntarily to waive any rights, benefits or protections that are afforded to them under the provisions of the Plan or any order issued in furtherance of the Plan, and such waiver shall supersede such rights, benefits or protections. Any such waiver shall only be effective if such party expressly and specifically waives in writing one or more of such rights, benefits or protections.

16.20 Notices. All notices, requests, elections, or demands in connection with the Plan or the Plan Documents shall be in writing and shall be delivered by registered or certified mail, return receipt requested, by facsimile, by email, or by overnight mail to the following addresses unless a different address is designated in a notice served in accordance with this provision:

The Plan Sponsors

Americas Mining Corporation
ASARCO Incorporated
Attn: Jorge Lazalde Psihas
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Phoenix, AZ 85028

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The Reorganizing Debtors

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The FCR

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Overnight Mailing Address:
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Washington, DC 20004
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(202) 514-0097 (Mr. Tenenbaum)
Email: david.dain@usdoj.gov
alan.tenenbaum@usdoj.gov

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Dated: September ~~20~~,25, 2008

Respectfully submitted,

ASARCO INCORPORATED, a Delaware corporation

By:
Name: Jorge Lazalde Psihas
Title: Vice President and Counsel

/s/ Jorge Laza

By:
Name: Jaime F. Collazo Gonzalez
Title: CEO and President

/s/ Jaime F. C

AMERICAS MINING CORPORATION, a Delaware Corporation

By:
Name: Jorge Lazalde Psihas
Title: Secretary

/s/ Jorge Laza

By:
Name: Alberto de la Parra Zavala
Title: Assistant Secretary

/s/ Alberto de

Document comparison done by DeltaView on Thursday, September 25, 2008 5:05:25 PM

Input:	
Document 1	file://D:/Documents and Settings/jsussman/Desktop/1st Amend Plan.doc
Document 2	file://D:/Documents and Settings/jsussman/Desktop/2nd Amed Plan.doc
Rendering set	Standard

Legend:	
Insertion	
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Moved from	
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Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
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