

AGREEMENT FOR ACCEPTANCE OF SOIL

THIS AGREEMENT is made this ___ day of _____, 2005, by and between: Everett Housing Authority ("EHA"), whose address is PO Box 1547, Everett, WA 98205-1547 and ASARCO LLC ("ASARCO"), whose address is 1150 N. 7th Avenue, Tucson, AZ 85705.

Recitals

WHEREAS EHA desires to hire one or more contractors and subcontractors to complete the remediation of certain residential yards and adjoining rights-of-way in Everett that ASARCO was scheduled to perform in 2005 but is now unable to perform after filing for reorganization under Chapter 11 of the U.S. Bankruptcy Code.

WHEREAS completing the remediation of those yards will result in the removal of soil from the yards that EHA wishes to place at the site of the former ASARCO smelter in Tacoma (the "Site").

WHEREAS ASARCO is willing to accept the soil at the Site under certain conditions enumerated below.

WHEREAS EPA and the State of Washington have approved the transfer of soil from the residential properties in Everett to the Site.

THEREFORE EHA and ASARCO, for and in consideration of the mutual covenants set forth herein, agree as follows:

Terms

Scope: ASARCO agrees to accept at no cost to EHA except as specifically provided for herein soils at the Site, estimated to total approximately 30,000 cubic yards, generated by EHA's contractor in 2005 in the course of completing the remediation of the expanded fenced area property under the terms of the Fenced Area Consent Decree, now Cause No. 04 2 12170 0, entered in Snohomish County Superior Court on September 30, 2004 and under the terms of the Asarco Houses Consent Decree, now Cause No. 04 2 10919 0, entered in Snohomish County Superior Court on June 30, 2004.

Under no circumstances shall soil exceeding 3000 ppm arsenic be transported to the Site or placed on the Site. In addition, concrete that has not been sized to Tacoma specifications, wood, debris, asbestos-containing material and organic materials cannot be brought to the Site. Soil with excessive moisture cannot be brought to the Site. Soil cannot be transported to the Site during rain events.

Soil shall be placed and compacted on the Site in accordance with Tacoma specifications. Soils shall be placed at the locations and depths directed by ASARCO

personnel. EHA and its contractors and subcontractors will also be responsible for compaction testing and moisture density testing. EHA shall provide results of all testing and documentation of material quantities placed on the site to ASARCO personnel. EHA shall be responsible for operation of the Site truck scales and shall provide copies of scale tickets to ASARCO personnel.

Tacoma specifications are defined as the 1998 Standard Specifications for Road, Bridge and Municipal Construction, prepared by the Washington State Department of Transportation and the American Public Works Association, Washington State Chapter, as modified by the 1998 APWA Amendments to Division One and the 1998 City of Tacoma Amendments. The Tacoma specifications include the Special Provisions included in the Tacoma Upland Remediation Design Grade and Cap Site and Breakwater Peninsula, July 2005.

Access and Site Security: ASARCO shall take steps to allow EHA's contractors and subcontractors to have access to the site at reasonable times for the delivery of soil to the Site even if no one from ASARCO is present at the Site at the time of delivery. EHA agrees to limit its contractors' and subcontractors' travel on the Site solely to that necessary for performing this Agreement, and to allow an ASARCO representative, if present and upon ASARCO's request, to accompany EHA's contractors and subcontractors while on the Site. EHA must provide appropriate security personnel to keep the Site secure and prevent unauthorized entry at all times they or their contractors and subcontractors are on site.

Responsibility for transport; compliance with laws: EHA and its contractors and subcontractors shall be solely responsible for: developing any changes to the approved Transportation Plan for transporting the soil to the Site, a copy of which is attached as Exhibit A to this agreement; paying the cost of transporting soil covered under this agreement to the Site; providing the equipment necessary for such transport; and complying with all laws and regulations applicable to such transport. EHA must coordinate with the City of Tacoma and the Town of Ruston to re-initiate transportation of soil to the Site and to maintain and/or modify the approved Transportation Plan. If flaggers are necessary for any aspect of the trucking operation including minimizing the line of trucks on Ruston Way and or controlling traffic for truck entry to the Site via alternate routes, EHA shall be responsible for all costs and coordination with appropriate entities.

Additional insured: EHA shall ensure that any contractors and subcontractors retained by EHA for the transport of soil to the Site name ASARCO as an additional insured on any insurance policies that EHA requires the contractors or subcontractors to obtain as part of any contract related to the transport of soil to the Site. Prior to commencement of work, copies of the insurance certificates shall be provided to Asarco.

Indemnification: EHA agrees to indemnify, defend and hold harmless ASARCO from and against all claims, suits or demands of any kind and description, and from and against all alleged or actual damages, loss, fines or penalties which ASARCO or

ASARCO's property may sustain, incur, suffer or receive and which arise or allegedly arise in whole or in part from EHA's, or its contractors' and subcontractors', performance under this Agreement or from any other conduct, actions or inactions by EHA or its contractors and subcontractors. EHA's indemnity obligations include, but are not limited to, payment of all judgments, legal fees and expenses incurred by ASARCO. ASARCO's rights and EHA's indemnity obligations hereunder shall apply with full force and effect even if ASARCO or any third party is or may be liable or responsible in part for the claim, suit, demand, damage, loss, fine or penalty sustained, incurred, suffered, or received. However, EHA's indemnity obligation shall apply for the amount and to the extent that EHA or its contractors and subcontractors are at fault for or the cause of such loss or damages. ASARCO's rights and EHA's obligations hereunder shall survive the expiration or termination of this Agreement.

Compliance with ASARCO's environmental, health and safety policies: EHA agrees that any personnel entering the Site to implement this Agreement, including EHA's contractors and subcontractors, will comply with all of ASARCO's environmental, health and safety policies applicable at the Site. ASARCO shall provide copies of all such policies to EHA or its contractors or subcontractors upon request.

Duration: This agreement shall expire at 11:59 p.m. on December 31, 2005 unless extended by mutual written agreement between EHA and ASARCO.

Termination: ASARCO may terminate this Agreement for cause if EHA or its contractors and subcontractors fail to comply with the provisions of this Agreement and fail to correct such noncompliance within seven (7) days of receipt by EHA of written notice from ASARCO identifying with reasonable specificity the nature of the noncompliance.

Disputes: Any dispute arising out of or in connection with this Agreement shall be decided by the Bankruptcy Court handling ASARCO's Chapter 11 reorganization.

Governing law: This Agreement, including performance and all disputes hereunder, shall be governed by the laws of the State of Washington.

Force majeure: If EHA or ASARCO is prevented in whole or in part from performing its obligations under this Agreement by unforeseeable events or causes beyond its control and without its fault or negligence, then during the course of such event or cause the party so prevented shall be excused from whatever performance is affected by such event or cause; provided that such party provides prompt written notice to the other party of such condition. Force Majeure events or causes include, but are not limited to: acts of God; unusually severe weather; labor disputes; fires; riots; civil commotion; acts of federal, state or local governmental authorities; and acts of war.

Assignment: Neither party shall assign this Agreement in whole or in part without the prior written consent of the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

ASARCO LLC:

By: _____

Its: _____

Date: _____

By: _____

Its: _____

Date: _____

Everett Housing Authority:

By:  _____

Bud Alkire

Its: Executive Director

Date: August 30, 2005

EXHIBIT A

2005 ADDENDUM TO APPENDIX G

TRANSPORTATION PLAN FINAL DESIGN REPORT EVERETT SMELTER SITE

Revision 2 – APRIL 11, 2005

1 Introduction:

This plan addresses the transportation-specific aspects related to the removal and off-site transportation of contaminated soil from Asarco's former Everett Smelter Site to Asarco's former Tacoma smelter or other permitted off-site disposal sites in 2005. It is an addendum to the Transportation Plan included in Appendix G of the Final Design Report. It is intended to supplement the traffic control provisions of the Construction Specifications (Section 01700, 1-13 Traffic Control) and is included by reference in Division 1, General Provisions, Section 01400 Supplemental Plans.

2 Summary Description:

The primary transportation method proposed for the transport of excavated material from the Asarco Everett site to the Asarco Ruston site during 2005 is bulk shipment by truck. This plan describes the operational parameters and logistics for this movement. During 2004, Asarco completed shipment of all excavated materials over 3,000 ppm arsenic to the Ruston site by barge. The quantity of excavated material to be shipped in 2005 is less than half of the quantity transported in 2004. All remaining excavated materials to be transported to the Ruston site are between 150 and 3,000 ppm arsenic. Environmental controls will be employed to ensure that fugitive emissions are prevented and the material transported has appropriate containment during transport.

2.1 Material loading at the Smelter Site:

This aspect of the operation is described more fully in the construction plans and specifications. Briefly, excavated materials destined for shipment to Ruston will be amassed in a stockpile adjacent to an on-site loading area on the west side of East Marine View Drive. The loading area will be constructed to allow easy access in and out by trucks providing transport. Material will be loaded into haul trucks and trailers (20 yard truck, 10 yard trailer) with tarp covers and will be hauled to the Ruston site. The truck will pull into the designated loading area. An operator using a wheeled loader or excavator will remove material from the stockpile and place it into the truck bed. Loading will continue until a target volume/weight is reached. Any material that may be spilled in the loading will be cleaned from the truck. The tarp cover will be placed over the load and the truck will proceed to the Ruston site.

Once loaded the truck will proceed south on Marine View Drive to the I-5 entrance ramp. The trucks will follow I-5 to I-705 and then proceed north along Schuster Parkway/Ruston Way to the Ruston site. Two routes will be used for bringing empty trucks to the Everett Smelter site. The first cycle will use Hawthorne Street as the entrance and East Marine View Drive as the exit route to I-5. The second cycle will use East Marine View Drive as both the entrance and the exit route.

Section 01700 of the Construction Specifications incorporates City of Everett Design and Construction Standards and Specifications for Development including control of noise; protection of property and utilities; site maintenance; traffic control, detours and road closures; flaggers, barricades and signs; etc. Project traffic control will comply with Chapter 6 of "Manual on Uniform Traffic Control Devised" (MUTCD). Work will be completed in accordance with City of Everett Public Works Permit No. PWO405-012.

2.2 Unloading in Ruston

At the Ruston site the materials will be hauled to the direct placement site if weather allows. Materials will be placed in one-foot lifts and compacted in accordance with the

Tacoma Smelter site cap plans and specifications. If necessary, materials may be stockpiled at the Ruston site for later placement.

Water sprays will be used at the Ruston site to control dust. Trucks will be routed through a truck wash station prior to leaving the Ruston site and returning to Everett.

2.3 Operating Frequency

Asarco has estimated that approximately 30,000 cubic yards of excavated material will be shipped to the Ruston site. Two cycles of a maximum of 25 trucks with trailers per night are planned. Stockpiles of excavated material will be amassed during the day. Loading of the material will begin between 8pm and 9pm at the Everett site. Delivery and placement in Ruston will begin at approximately 10 pm. It is anticipated that loading for the second cycle will take place between 12 am and 2 am with delivery/placement in Ruston between 2 am and 4 am.

Shipments will be scheduled Sunday through Thursday. Asarco will not transport material on Friday or Saturday nights. Transportation of the estimated quantity should take 4-6 weeks. Shipments will commence about mid-May. Following this schedule, Asarco anticipates all materials will have been transported to the Ruston site by late June/mid-July.