CONFORMED

ACQUISITION AGREEMENT

DATED

SEPTEMBER 10, 1985

BETWEEN

MONTANA ALUMINUM INVESTORS CORP.

AND

ATLANTIC RICHFIELD COMPANY

ACQUISITION AGREEMENT

AGREEMENT dated September 10, 1985 between MONTANA ALUMINUM INVESTORS CORP., a Montana corporation ("Buyer"), and ATLANTIC RICHFIELD COMPANY, a Delaware corporation ("Seller").

W I T N E S S E T H :

WHEREAS, on the basis of the representations and warranties and subject to the conditions stated herein, Buyer desires to acquire from Seller the business associated with Seller's Columbia Falls, Montana aluminum smelter (the "Smelter Business"); and

WHEREAS, Seller wishes to have Buyer acquire the Smelter Business.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and obligations of the parties and subject to the terms and conditions set forth herein, the parties agree as follows:

ARTICLE I
DEFINITIONS

As used in this Agreement, the following terms have the following respective meanings:

1(a) "Assets of the Smelter Business" means those assets of Seller relating to the Smelter Business wherever they may be located (including Seller's interest in any contractual rights not freely transferrable without consent or approval), but such term does not include Excluded Assets (hereinafter defined). As used herein, the phrase "relating to the Smelter Business" when used with respect to any asset or liability of Seller is intended to designate those assets or liabilities that have been used or are associated with the conduct of the Smelter Business.

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1(b) "Assumed Liabilities" means those liabilities and obligations of Seller relating to the Smelter Business (except those relating to the sale of metal or metal inventory) that (i) arise from purchase orders, commitments for personal property or services, leases, or contracts (the products or services under which will continue to be furnished after the Closing) entered into in the ordinary course of business, involving future payments by or to Seller of less than $100,000, and to be fully performed in less than one year or (ii) arise from commitments or obligations listed on Schedule 3(i).

1(c) "CFAC" means Columbia Falls Aluminum Company, a Montana corporation.

1(d) "CFAC Stock" shall have the meaning set forth in Section 3(e)(iii).

1(e) "Closing" means the consummation of the acquisition of the Assets of the Smelter Business as contemplated by this Agreement, which is to be effective as of 12:01 a.m. on the Closing Date as hereinafter defined. The Closing shall take place at the offices of Seller, 515 South Flower Street, Los Angeles, California.

1(f) "Closing Retained Assets and Liabilities Statement" means, as of the Closing Date, the statement referred to in Section 11(a) describing certain retained assets and liabilities for which Buyer, or CFAC as its agent, will liquidate the assets or liabilities listed thereon as bailee for Seller and for Seller's account.

1(g) "Closing Date" means September 17, 1985 or such other date as the parties hereto may agree upon.

1(h) "Conversion Agreement" means the agreement pursuant to which CFAC will convert Arco's alumina into aluminum, the form of which is set forth in Exhibit C.

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1(i) "Employee Transfer Date" means the date of termination of the Seconding Agreement (hereinafter defined).

1(j) "Excluded Assets" means (i) current assets of all kinds, (ii) deferred charges and long-term notes receivable, (iii) that certain parcel of land commonly known as the Superior Lumber Company parcel containing approximately 73 acres, (iv) commitments for the sale of metal or metal inventories, (v) contracts for the ocean transportation or purchase of alumina, (vi) assets associated with Seller's sales offices and with Seller's administrative offices in Louisville, Kentucky, (vii) Intellectual Property, and (viii) the trademarks "ARCO", "Atlantic Richfield", "Anaconda" and "Anaco", the "Spark" logo and the "Spearhead" logo and related trademarks, corporate names and trade names incorporating "ARCO", "Atlantic Richfield" and "Anaconda". Current assets include, but are not limited to, cash, accounts receivable, inventories (alumina, raw materials, alloys, in-process bath, in-process aluminum, and finished goods), supplies, and prepaid expenses.

1(k) "Intellectual Property" means all patents and patent applications, all copyrights, registrations and applications for copyright registrations, and all know-how, technical data, trade secrets and other information, including but not limited to, designs, drawings, software, specifications for products, material and equipment, process and manufacturing information, quality control information, performance data, plant service information and similar information.

1(l) "Intellectual Property Rights" means all of the licenseable rights of Seller in and to any Intellectual Property which has been used commercially by Seller or its predecessors at the Columbia Falls, Montana facility prior to the Closing Date.

1(m) "Seconding Agreement" means the agreement whereby Arco will loan certain employees to CFAC, the form of which is set forth in Exhibit D.

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1(n) "Transferred Employee" means employees of Seller who are offered and accept employment with CFAC on or before the Employee Transfer Date.

ARTICLE II
ACQUISITION

2(a) Columbia Falls Aluminum Company. CFAC has been incorporated under the laws of the State of Montana, and its certificate of incorporation and by-laws have heretofore been furnished to Buyer. Seller owns all CFAC's capital stock.

2(b) Transfer of the Assets of the Smelter Business to CFAC. At the Closing Seller shall (i) transfer to CFAC the Assets of the Smelter Business, (ii) grant to CFAC a royalty-free, non-exclusive, non-assignable license to use the Intellectual Property Rights, in the form of Exhibit A, and (iii) cause CFAC to assume the Assumed Liabilities.

2(c) Transfer of the CFAC Stock. Immediately after the consummation of the transfer and the assumption referred to in Section 2(b), Seller shall transfer to Buyer the CFAC Stock, for which Buyer shall forthwith pay and deliver to Seller $1.00.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

3(a) Organization, etc. Seller is a corporation duly organized and existing in good standing under the laws of Delaware and has the corporate power to own its properties and to carry on its businesses as presently conducted.

3(b) Authorization, etc. The execution, delivery, and performance by Seller of this Agreement and the transactions contemplated hereby have been duly and validly authorized by all

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necessary corporate action of Seller. This Agreement has been duly and validly executed and delivered by Seller, which has the corporate power to do the same, to perform this Agreement, and to consummate the transactions contemplated hereby. This Agreement constitutes a legal, valid, binding, and enforceable obligation of Seller.

3(c) Non-Contravention. The execution and delivery of this Agreement by Seller and the consummation of the transactions contemplated hereby will not result (i) in a conflict with, or a breach or violation of or default under, the certificate of incorporation or by-laws of Seller, (ii) in the creation of any lien or encumbrance on the CFAC Stock, or (iii) in a breach or violation of, or liability under, any of the terms or provisions of, or constitute a default pursuant to, any covenant or agreement to which Seller is a party or by which it is bound, or any judgment, order, decree, law, ordinance, rule, or regulation to which it is subject. No governmental or other authorization, approval, order, consent, or waiting period that has not been complied with is or was required in connection with the execution, delivery, and performance of this Agreement by Seller.

3(d) Ownership of CFAC Stock. As of the Closing, Seller will be the beneficial and record owner of the CFAC Stock free and clear of all liens, encumbrances, claims, charges, and assessments, subject to no restrictions with respect to transferability. The transfer of the CFAC Stock to Buyer pursuant to the provisions of this Agreement transfers legal and valid title thereto free and clear of all liens, encumbrances, claims, charges, and assessments of every kind or nature.

3(e) CFAC Corporate Matters. (i) As of the Closing, CFAC will be a corporation duly organized, validly existing, and in good standing under the laws of Montana. CFAC will be duly qualified to do business and in good standing in Montana and Washington.

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(ii) As of the Closing, CFAC will have the requisite power and authority to own its properties and to conduct the Smelter Business.

(iii) As of the Closing, the duly authorized capital stock of CFAC will consist of 1000 shares of common stock, $1.00 par value, of which 1000 shares will be issued and outstanding. All such outstanding shares (referred to herein as the "CFAC Stock") will be legally and validly issued, fully paid and nonassessable.

(iv) Except for this Agreement, there will be no outstanding subscriptions, warrants, options, contracts, calls, commitments, or demands of any character relating to the authorized or issued stock of CFAC.

(v) Except as provided for or permitted by this Agreement, there will at Closing be no liabilities of CFAC.

3(f) Description of Real Properties and Location of Businesses. Schedule 3(f) contains a complete and correct list and summary description of the real property and rights therein included in the Assets of the Smelter Business. Such schedule also lists locations where there are no real property rights but at which some of such assets are situate, and locations at which the Smelter Business may be "being conducted" even though such locations are not owned by Seller and no Assets of the Smelter Business are situate there. All leases pursuant to which any real or personal property included in the Smelter Business are leased are in good standing and are valid and effective in accordance with their respective terms, and there is not under any of such leases any existing default or any condition, event, or act that with notice or lapse of time would constitute a default. The transactions contemplated by this Agreement will not constitute a default under any such lease.

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3(g) Absence of Liens and Encumbrances, etc. Seller has good and/or marketable title to and lawfully possesses all of the Assets of the Smelter Business, in each case free and clear of all mortgages, liens, security interests, encumbrances, equities, claims, charges, and restrictions of any kind except as disclosed in Schedule 3(g), none of which (i) materially detracts from or interferes with the present use of such assets or the conduct of business operations, or (ii) prohibits construction of any improvements for the purpose of conducting normal business operations. Seller has not received any notice of nor does it know of any fence dispute, right-of-way dispute, boundary dispute, boundary line question, water dispute, zoning ordinance violation, or drainage dispute concerning or affecting the real property included in the Assets of the Smelter Business. Such real property is not subject to actual, pending or, to the best of the knowledge of Seller, threatened special assessments, nor is such real property subject to existing actual or, to the best of the knowledge of Seller, threatened condemnation or eminent domain proceedings.

3(h) Intellectual Property Matters. Schedule 3(h)-1 contains a complete list of all registrations of, and applications for registrations of, trademarks, service marks, and trade names relating to the Smelter Business. Seller makes no representation or warranty that the use of the intellectual property licensed hereunder or the trademarks, service marks, and trade names listed on Schedule 3(h)-1 will be free of the property rights of third parties. Schedule 3(h)-2 contains a complete and correct list of all active license agreements, technical assistance agreements, and non-disclosure agreements relating to the Smelter Business to which Seller is a party. The agreements not transferrable by right are identified by an asterisk. Except as described in Schedule 3(h)-3, Seller is not currently in receipt of any notice that the operations of the Smelter Business are violating the rights of others in respect of any patent, copyright, trademark, trade name, service mark, trade secret, or other intellectual property right.

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3(i) Indentures, Contracts, etc. Schedule 3(i) contains complete and correct lists of all (i) indentures, loan agreements, security agreements, mortgages, and guaranties and (ii) leases and other contracts, agreements, and commitments (hereinafter collectively called "commitments") relating to the Smelter Business at the date of this Agreement, other than (x) the commitments referred to in Schedule 3(j), (y) any commitments that do not involve future payments by or to Seller of $100,000 or more, were entered into in the ordinary course of business, and are to be fully performed in less than one year, and (z) the commitments relating to Excluded Assets that are referred to in clauses (iv), (v) and (vi) of Section 1(j).

3(j) Bonus Arrangements, Collective Bargaining Agreements, Pensions, etc. Schedule 3(j) contains a complete and correct list of all bonus arrangements, collective bargaining agreements covering hourly-paid or salaried employees (specifying those that are currently open for negotiation), pension plans, other employee benefit plans, and other material benefit or pay arrangements or policies applicable to any employees of the Smelter Business. Except as set forth in Schedule 3(j), Seller is not a party to any agreement, arrangement, or understanding for or relating to the employment of any person by it in connection with the Smelter Business. There is no pending (or known to be threatened) dispute, controversy, administrative action, proceeding, or charge by or with any employee or former employee of the Smelter Business or by or with labor unions representing such employee or former employee that involves a potential liability greater than $25,000 or that might materially and adversely affect the financial condition, business, or operations of the Smelter Business except as set forth in Schedule 3(j).

3(k) Licenses, Permits, etc. A list of all licenses, permits, and other authorizations held by Seller in connection with the Smelter Business is attached hereto as Schedule 3(k). Seller has not received any written notice of any actions pending

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or threatened that could adversely affect such licenses, permits, or other authorizations.

3(l) Litigation and Disputes. Seller has not received any notice of nor does it know of any claim, legal action, suit, proceeding, or investigation pending or threatened before or by any court, administrative or governmental agency, or arbitration panel relating to the Smelter Business that involves a potential liability greater than $25,000, or that might materially and adversely affect the financial condition, business, properties, prospects, or operations of the Smelter Business except as described in Schedule 3(l). Seller has not received any notice of nor does it know of any dispute with any of its (i) customers, (ii) suppliers, (iii) independent sales representatives, agents, and distributors, or (iv) licensees relating to the Smelter Business that could have a material adverse effect on such business except as disclosed in Schedule 3(l).

3(m) Compliance with Laws, Rules, etc. Seller has not received any notice of any judgment, order, decree, law, ordinance, rule, or regulation applicable to the Smelter Business with which Seller has not complied except as described in Schedule 3(m).

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

4(a) Organization, etc. Buyer is a corporation duly organized and existing in good standing under the laws of Montana and has the corporate power to own its properties and to carry on its business.

4(b) Authorization, etc. The execution, delivery, and performance by Buyer of this Agreement and the transactions contemplated hereby (including any arrangements for the financing

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thereof) have been duly and validly authorized by all necessary corporate action of Buyer. This Agreement has been duly and validly executed and delivered by Buyer, which has the corporate power to do the same, to perform this Agreement and to consummate the transactions contemplated hereby. This Agreement constitutes a legal, valid, binding, and enforceable obligation of Buyer.

4(c) Non-Contravention. Neither the execution and delivery of this Agreement by Buyer nor the consummation of the transactions contemplated hereby by Buyer will result (i) in a conflict with, or breach or violation of or default under, the certificate of incorporation or by-laws of Buyer, (ii) in a breach or violation of, or liability under, any of the terms or provisions of, or constitute a default pursuant to, any material convenant or agreement to which Buyer is a party or by which it is bound, or any judgment, order, decree, law, ordinance, rule, or regulation to which it is bound except as set forth in Schedule 4(c). No governmental authorization, approval, order, consent, or waiting period that has not been complied with is or was required in connection with the execution, delivery, and performance of this Agreement by Buyer.

4(d) No Disposition. Buyer represents that the CFAC Stock will not be acquired by Buyer with a view to the disposition of all or any part thereof except under circumstances that would not violate the Securities Act of 1933, as amended, or applicable state laws.

ARTICLE V
CONDITIONS PRECEDENT TO CLOSING

5(a) Conditions to Obligations of Buyer. The obligations of Buyer hereunder are subject to the satisfaction on or prior to the Closing Date of the following conditions unless waived by Buyer pursuant to Section 13(g):

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(i) No investigation, action, or proceeding by or before any court or other governmental body shall have been commenced or threatened, and no inquiry shall have been received that in the opinion of counsel for Buyer may lead to such an action or proceeding, to restrain or otherwise challenge the transactions contemplated herein.

(ii) All legal and other proceedings or matters in connection with the transactions contemplated hereby, and all documents and instruments incident to such transactions, shall be satisfactory in form and substance to Buyer and its counsel as they shall reasonably require to carry out the provisions of this Agreement.

(iii) Buyer shall be satisfied that the transactions contemplated hereby continue to have the support of the Montana Congressional delegation.

(iv) There shall be delivered to Buyer at the Closing a certificate of an officer of ARCO Metals Company, a division of Atlantic Richfield Company, to the effect that all of the representations and warranties of Seller contained herein are true and correct in all material respects as of the Closing Date.

(v) There shall be delivered to Buyer at the Closing an opinion of John E. G. Bischof, Esq., Vice President and Counsel of ARCO Metals Company, a Division of Atlantic Richfield Company. Such opinion shall be dated the Closing Date and be satisfactory in form and substance to Buyer and its counsel as they shall reasonably require to the effect that:

(A) Seller is a corporation duly organized and validly existing, and in good standing, under the laws of Delaware. Seller has full corporate power to carry on its businesses as presently conducted. Seller is duly qualified to do business in each jurisdiction in which the nature of its properties or the conduct of its business relating to the Smelter

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Business requires it to be so qualified. The deeds, bills of sale, endorsements, assignments, and other instruments of conveyance and transfer delivered by Seller to CFAC are good, sufficient, and effective to vest in CFAC all right, title, and interest of Seller in and to the Assets of the Smelter Business, free and clear of any mortgages, liens, security interests, encumbrances, equities, claims, charges, or restrictions of any kind except as contemplated or permitted by this Agreement. The stock certificates, endorsements, assignments, and other instruments of transfer delivered by Seller are good, sufficient, and effective to convey to Buyer all right, title, and interest of Seller in and to the CFAC Stock, free and clear of any mortgages, liens, security interests, encumbrances, equities, claims, charges, or restrictions of any kind except as contemplated or permitted by this Agreement;

(B) The duly authorized capital stock of CFAC consists of 1000 shares of common stock, $1.00 par value, of which 1000 shares are issued and outstanding and held of record by Seller. All of such outstanding shares are legally and validly issued, fully paid, and nonassessable. Except for this Agreement, there are no outstanding subscriptions, warrants, options, contracts, calls, commitments, or demands of any character relating to the authorized or issued stock of CFAC;

(C) The execution, delivery, and performance of this Agreement by Seller and the transactions contemplated hereby by Seller have been duly and validly authorized by all necessary corporate action. This Agreement has been duly and validly executed and delivered by Seller, which has the corporate power to do the same, to perform this Agreement and to consummate the transactions contemplated hereby. This Agreement constitutes a legal, valid, binding, and enforceable obligation of Seller;

(D) The execution, delivery, and performance by Seller of this Agreement will not result in a conflict with, or a breach or violation of or default under, the certificate of

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incorporation or by-laws of Seller or, to the best of the knowledge of such counsel after due inquiry, any covenant or agreement to which Seller is a party or any judgment, order, decree, law, ordinance, rule, or regulation to which it is subject; and

(E) All necessary authorizations, approvals, or consents of governmental authorities required for the execution, delivery, and performance by Seller of this Agreement have been obtained.

5(b) Conditions to Obligations of Seller. The obligations of Seller hereunder are subject to the satisfaction on or prior to the Closing Date of the following conditions unless waived by Seller pursuant to Section 13(g):

(i) No investigation, action, or proceeding by or before any court or other governmental body shall have been commenced or threatened, and no inquiry shall have been received that in the opinion of counsel for Seller may lead to such an action or proceeding, to restrain or otherwise challenge the transactions contemplated herein.

(ii) All legal and other proceedings or matters in connection with the transactions contemplated hereby, and all documents and instruments incident to such transactions, shall be satisfactory in form and substance to Seller and its counsel as they shall reasonably require to carry out the provisions of this Agreement.

(iii) This Agreement shall have been approved by the Executive Committee of Seller's board of directors.

(iv) Seller shall be satisfied that nothing has happened to call into question the validity of Buyer's previously obtained financing commitments for the working capital needs of the Smelter Business.

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(v) There shall be delivered to Seller at the Closing a certificate of an officer of Buyer to the effect that all of the representations and warranties of Buyer contained herein are true and correct in all material respects as of the Closing Date.

(vi) There shall be delivered to Seller at the Closing an opinion of Browning & Kaleczyc, counsel to Buyer. Such opinion shall be dated the Closing Date and shall be satisfactory in form and substance to Seller and its counsel as they shall reasonably require to the effect that:

(A) Buyer is a corporation duly organized, validly existing, and in good standing under the laws of Montana and has full corporate power to carry on its business as presently conducted;

(B) The execution, delivery, and performance of this Agreement and the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action. This Agreement has been duly and validly executed and delivered by Buyer, which has the corporate power to do the same, to perform this Agreement, and to consummate the transactions contemplated hereby. This Agreement constitutes the legal, valid, binding, and enforceable obligation of Buyer;

(C) The execution and delivery by Buyer of this Agreement will not result in a conflict with, or a breach or violation of or default under, the certificate of incorporation or by-laws of Buyer or, to the best of the knowledge of such counsel after due inquiry, any covenant or agreement to which Buyer is a party or any judgment, order, decree, law, ordinance, rule, or regulation to which it is subject; and

(D) All necessary authorizations, approvals, or consents of governmental authorities required for the execution, delivery and performance of Buyer of this Agreement have been obtained.

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ARTICLE VI
CLOSING

6(a) Obligations of Seller. There shall be delivered to Buyer at the Closing, stock certificates, endorsements, assignments, and other instruments of transfer that will vest in Buyer all right, title, and interest of Seller in and to the CFAC Stock, together with such evidence as Buyer and its counsel shall reasonably request to the effect that the Assets of the Smelter Business shall then have been vested in CFAC.

6(b) Obligations of Buyer. There shall be delivered to Seller at the Closing a check in the amount set forth in Section 2(c).

ARTICLE VII
CERTAIN EMPLOYEE AND BENEFIT PLAN MATTERS

7(a) Employment of Personnel. The Assets of the Smelter Business have been managed, operated, and maintained by employees of Seller (for purposes of this Article VII "Employees"). Employees have been compensated at established wage and salary rates and some or all of Employees have had rights under some or all of the following: (i) employee benefit plans, as defined in Section 3 of the Employee Retirement Income Security Act of 1974, as amended (for purposes of this Article VII "ERISA"); (ii) published employment policies in effect at their respective work locations; and (iii) collective bargaining agreements. All such benefit plans, published policies, and collective bargaining agreements are described in Schedule 3(j). Seller shall furnish to Buyer a list of all Employees who are assigned to the Assets of the Smelter Business as of the Closing Date. Buyer shall designate to Seller in writing within 40 days after the Closing Date the names of Employees to whom CFAC has offered or will offer employment effective as of the Employee Transfer Date. Between the Closing Date and the Employee Transfer Date, employee matters will be governed by the provisions of the Seconding Agreement.

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7(b) Pension and Retirement Plans for Salaried Employees. (i) CFAC shall not assume nor have any liability whatsoever under the Retirement Plan for Salaried Employees of the Anaconda Minerals division and ARCO Metals division of Atlantic Richfield Company (the "Salaried Retirement Plan") and assets of the Salaried Retirement Plan shall not be transferred to any plan sponsored by CFAC.

(ii) Seller shall grant credit for all purposes, other than benefit accrual purposes, under the Salaried Retirement Plan for all periods of service of Transferred Employees with CFAC following the Employee Transfer Date just as if such period of service had been with Seller. Retirement allowances shall be payable under the Salaried Retirement Plan, as in effect on the Employee Transfer Date, at such times and under such conditions as would have been payable if Transferred Employee's service for CFAC (including the termination thereof) had been service for Seller.

(iii) Employee Pension Benefit Plans, as defined by Section 3(2) of ERISA, established by CFAC, if any, shall provide that for purposes of determining vesting rights and benefit eligibility of Transferred Employees, all service credited for such purposes under the Salaried Retirement Plan as of the Employee Transfer Date shall be credited under any such plan of CFAC upon its establishment.

(iv) Seller shall continue to maintain the Atlantic Richfield Savings Plan ("Savings Plan"), Atlantic Richfield Capital Accumulation Plan ("CAP") and Atlantic Richfield Employee Stock Ownership Plan ("ESOP") with respect to Employees, provided that there shall be no employer or employee contributions under such Plans with respect to Transferred Employees following the Employee Transfer Date. Seller shall make all required contributions for periods up to and including the Employee Transfer Date. Such Plans shall not be assumed or adopted by CFAC, in whole or in part, nor shall CFAC assume or have any

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responsibility with respect thereto. CFAC shall provide to Seller all such information in the possession of CFAC as Seller may require with respect to the applicable Transferred Employees in order to permit Seller to administer the Savings Plan, the CAP and the ESOP with respect to the Transferred Employees.

(v) Within 60 days of CFAC's written notice to Seller, at any time before or following the Employee Transfer Date, Seller shall transfer in cash all of the Transferred Employees' accounts under the CAP and the Savings Plan directly to a trust(s) under any other defined contribution plan(s) established and maintained by CFAC which is qualified under Section 401(a) of the Internal Revenue Code of 1954, as amended.

7(c) Pension Plan for Union Employees. (i) CFAC shall not assume nor have any liability whatsoever under the Pension Plan for Day's Pay Employees of the Anaconda Minerals division and ARCO Metals division of Atlantic Richfield Company (the "Day's Pay Plan"), and assets of the Day's Pay Plan shall not be transferred to any plan sponsored by CFAC.

(ii) Seller shall grant credit for all purposes, other than benefit accrual purposes, under the Day's Pay Plan for all periods of service of Transferred Employees with CFAC following the Employee Transfer Date just as if such period of service had been with Seller. Retirement allowances shall be payable under the Day's Pay Plan, as in effect on the Employee Transfer Date, at such times and under such conditions as would have been payable if Transferred Employee's service for CFAC (including the termination thereof) had been service for Seller.

7(d) Employee Welfare Plans and Policies for Salaried Employees. (i) CFAC shall assume no liability under any employee welfare plan or policy maintained by Seller prior to the Employee Transfer Date. CFAC shall further assume no liability for any employment related claim of an Employee arising out of occurrences prior to the Employee Transfer Date. Seller shall

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retain liability for any claim under its employee welfare plans or policies based upon facts occurring before the Employee Transfer Date. Without limiting the generality of the foregoing, Seller shall be liable for any claims under the workers' compensation law of any state based upon injuries occurring on or before the Closing Date. CFAC shall be liable for all claims under its employee welfare plans or policies, if any, arising out of occurrences on or after the Employee Transfer Date.

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(ii) Employee welfare plans or policies, if any, established by CFAC shall provide immediate coverage to Transferred Employees who were covered immediately prior to the Employee Transfer Date by Seller's welfare plans and policies providing corresponding benefits; and to the extent that eligibility for, or the amount, type or conditions of benefits under, such plans or policies depend upon the length of service, the corresponding welfare plan or policy of CFAC shall provide full credit for the duration of service credited to Transferred Employees under the corresponding Seller welfare plans or policies immediately prior to the Employee Transfer Date.

7(e) Collective Bargaining Agreement. Buyer acknowledges and understands that Seller is a party to a collective bargaining agreement with the Aluminum Worker's Trade Council of Columbia Falls, AFL-CIO, and Buyer further acknowledges that a copy of the current collective bargaining agreement has been provided to it. If CFAC becomes a successor employer under applicable law, it shall perform the legal obligations appurtenant thereto, and if a majority of the Employees hired by CFAC are represented by such union, CFAC shall recognize such union as the collective bargaining representative for Employees employed in bargaining unit positions.

7(f) Reimbursement of Severance Allowance. Buyer shall reimburse Seller, within a reasonable time after demand by Seller, a portion of any severance allowance paid by Seller to any of its employees who were terminated by Seller and who thereafter are

reemployed by Buyer or CFAC, such portion to be determined as follows: the total amount of severance allowance paid by Seller (whether paid in a lump sum or installments) shall be expressed in the total number of weeks represented by such allowance, with the number of weeks elapsed between the date of termination by Seller and the date of reemployment by Buyer or CFAC being for Seller's account, and the balance being for Buyer's account. Reimbursements in accordance with this Section 7(f) shall not be included as costs to be reimbursed by Seller under the Conversion Agreement.

7(g) Vacation and Holiday Pay. The liability for vacation and holiday pay will be determined at the Employee Transfer Date using Columbia Falls accounting policies in effect prior to the Closing Date. CFAC shall assume such liability and pay employees appropriate amounts based upon such policies. Seller shall pay CFAC the liability so assumed on or before December 31, 1985.

ARTICLE VIII
TAXES

8(a) Apportioned Obligations. All real property taxes, personal property taxes and similar obligations levied with respect to periods of time during which the Closing occurs (collectively, the "Apportioned Obligations") shall be apportioned as of the Closing Date between Seller and CFAC. Seller shall pay or reimburse CFAC for the amount of any Apportioned Obligations relating to the period of time on or prior to the Closing Date, and CFAC shall pay or reimburse Seller for the amount of any Apportioned Obligations relating to the period of time after the Closing Date. Seller and CFAC shall cooperate in assuring that Apportioned Obligations whose payment is due on or prior to the Closing are billed directly to and paid by Seller, and that Apportioned Obligations whose payment is due after the Closing Date shall be billed directly to and paid by CFAC. Within 45 days after the Closing Date, Seller and CFAC shall each present a statement to the other setting forth the

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amount of reimbursement to which each is entitled under this Article VIII as of the most recent practicable date (together with such supporting evidence as may be reasonably requested), and they shall calculate the amount by which such reimbursement owed to one party exceeds that owed to the other (the "Proration Amount"). The Proration Amount shall be paid promptly by the party owing it to the other. In the event that either Seller or CFAC shall thereafter make a payment for which it is entitled to reimbursement under this Article VIII, the other party shall make such reimbursement promptly upon the presentation of such supporting evidence as may be reasonably requested. Seller and CFAC shall cooperate, including, without limitation, during times of audit by taxing authorities, to avoid payment of duplicate or inappropriate taxes of any kind or description that relate to the Assets of the Smelter Business, and each party shall furnish, at the request of the other, proof of payment of any such taxes or other documentation that is a prerequisite to avoiding payments of a duplicate or inappropriate tax.

8(b) Transfer, Sales, Use Taxes, etc. Seller and CFAC shall each pay one half of all taxes imposed on any transfers of the real property contemplated by this Agreement and all sales, use, and personal property transfer taxes, if any, applicable to the other transactions contemplated by this Agreement. CFAC will obtain such licenses and permits and will take such other reasonable steps as will, in the exercise of good faith and due diligence, minimize the taxes to be borne by the parties so far as possible without tax detriment to CFAC. CFAC shall pay the recording charges.

8(c) Other Taxes. Except as otherwise provided in this Article VIII, (i) Seller shall be responsible for and pay all taxes levied or imposed upon or in connection with the Assets of the Smelter Business or the conduct or operation of the Smelter Business prior to and on the Closing Date and (ii) CFAC shall be responsible for and pay all taxes levied or imposed upon or in connection with the Assets of the Smelter Business or the conduct

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or operation of the Smelter Business after the Closing Date.

8(d) Tax Returns. Seller shall be responsible for timely filing of all tax returns required by law to be filed in respect of the Assets of the Smelter Business as of the Closing Date. All taxes indicated as due and payable on such returns shall have been paid or will be paid by Seller as and when required by law, except for such taxes as may be contested by Seller in good faith. CFAC shall be responsible for timely filing of all tax returns required by law to be filed in respect of the Assets of the Smelter Business after the Closing Date. All taxes indicated as due and payable on such returns shall have been paid or will be paid by CFAC as and when required by law, except for such taxes as may be contested by CFAC in good faith.

8(e) Miscellaneous. Any interest and penalties arising in connection with taxes due under this Article VIII shall be the responsibility of the party required to timely file correct tax returns concerning such taxes. Control of any legal or administrative proceedings concerning any such taxes, and entitlement to any refunds or awards with respect to any such taxes, shall rest with the party responsible for payment therefor under this Article VIII; provided, however, that, with respect to taxes that must be combined or joined with one or more other tax issues that one party desires to contest, control of such proceedings shall rest with the party having the larger amount of taxes in dispute, and the party in control may not adjust, compromise or settle taxes that are contested by or on behalf of the other party without the consent of the other party.

8(f) Retention and Access to Tax Records. Each party to this Agreement shall provide the other party with access to all relevant documents, data, and other information that may be required by the other party for the purpose of preparing tax returns and responding to any audit by any governmental agency. Such access will be during normal business hours and not be subject to time limitations. Each party to this Agreement shall

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cooperate with all reasonable requests of the other party made in connection with resisting or contesting the imposition of taxes. Notwithstanding anything to the contrary in this Agreement, neither party nor CFAC shall be required at any time to disclose income tax returns or other confidential tax information. Further, for a period extending seven years after the Closing Date, Buyer shall not destroy or otherwise dispose of, and shall cause CFAC not to destroy or otherwise dispose of, any records relating to the period prior to the Closing Date. After such seven-year period, Buyer or CFAC may destroy or otherwise dispose of such records if Seller consents thereto in writing or if Buyer or CFAC offers in writing (addressed to Seller's General Tax Officer and referring specifically to this Section 8(f)) to surrender such records to Seller and Seller does not agree in writing to take possession thereof during the 90-day period after such offer is made. With respect to CFAC, Buyer shall, or cause CFAC to, on a timely basis prepare and provide Seller with the tax data schedule requirements for state and federal tax returns from January 1, 1985 through the Closing Date.

ARTICLE IX
SURVIVAL OF REPRESENTATIONS, WARRANTIES, AND AGREEMENTS

All representations, warranties, and agreements made by Seller, CFAC or Buyer in this Agreement or in any certificates delivered pursuant hereto will survive the Closing and will terminate as provided in Article X of this Agreement. All representations and warranties made by the parties in this Agreement will be unaffected by any investigation made by any other party or knowledge obtained as a result thereof or otherwise.

ARTICLE X
INDEMNIFICATION

10(a) Seller's Indemnity. Seller will indemnify and hold Buyer harmless from and against:

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(i) All damages, losses, and out-of-pocket expenses (including attorneys' fees) in excess of $100,000 in the aggregate caused by or arising out of the breach of any representation, warranty, or agreement given or made by Seller in Article III;

(ii) All damages, losses, and out-of-pocket expenses (including attorneys' fees) caused by or arising out of the breach of any other covenant or agreement of Seller contained herein; and

(iii) All damages, losses, and out-of-pocket expenses (including attorneys' fees) caused by or arising out of obligations or liabilities relating to the Smelter Business resulting from events or conditions in existence prior to the Closing Date.

Seller's obligation to indemnify Buyer with respect to the liabilities and obligations referred to in clause (ii) of this Section 10(a) will be continuing. Buyer may not make a claim with respect to (A) Seller's indemnity referred to in clause (i) of this Section 10(a) at any time after August 31, 1987, and (B) Seller's indemnity referred to in clause (iii) of this Section 10(a) at any time after August 31, 1990, except with respect to any such claim relating to the tax matters referred to in Article VIII, which may be made at any time up to 60 days after the expiration of the applicable tax statute of limitations relating thereto.

10(b) Buyer's Indemnity. Buyer will indemnify and hold Seller harmless from and against:

(i) All damages, losses, and out-of-pocket expenses (including attorneys' fees) in excess of $100,000 in the aggregate caused by or arising out of the breach of any representation, warranty, or agreement given or made by Buyer in Article IV; and

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(ii) All damages, losses, and out-of-pocket expenses (including attorneys' fees) caused by or arising out of the breach of any other covenant or agreement of Buyer contained herein; and

(iii) All damages, losses, and out-of-pocket expenses arising out of the Assumed Liabilities or out of obligations or liabilities, contingent or otherwise, relating to the operation of the Smelter Business after the Closing Date, other than obligations or liabilities as to which Seller is obligated to indemnify Buyer pursuant to Section 10(a)(iii).

Buyer's obligation to indemnify Seller with respect to the liabilities and obligations referred to in clauses (ii) and (iii) of this Section 10(b) will be continuing. Seller may not make a claim with respect to Buyer's indemnity relating to any representation, warranty, or agreement referred to in clause (i) of this Section 10(b) at any time after July 31, 1987 except with respect to any such claim relating to the tax matters referred to in Article VIII, which may be made at any time up to 60 days after the expiration of the applicable tax statute of limitations relating thereto.

10(c) Notification, Right to Participate, etc. Promptly after any service of process by any third person in any litigation in respect of which indemnity may be sought from the other party pursuant to this Article X, the party so served will notify the indemnifying party of the commencement of such litigation. In any matter that would be the subject of a right to indemnification, the indemnifying party will be entitled to participate in and direct the defense thereof (with the indemnified party cooperating and assisting as set forth in Section 10(d)). Similar notice will be given the indemnifying party in the case of receipt by the other of any claim that might reasonably be thought to result in a request for indemnification.

10(d) Cooperation. With respect to any claim or litigation that would be a matter for indemnification had it been brought

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against the other party, the party against whom such claim is brought will be entitled to, at its cost, the assistance of the other party in the defense of such claim or litigation with respect to such matters as files, witnesses, technical expertise, and expert testimony that the other party may be uniquely in a position to provide.

ARTICLE XI

POSTCLOSING LIQUIDATION OF RETAINED ASSETS AND LIABILITIES

11(a) Preparation of Retained Assets and Liabilities Statement. The parties will cooperate to ensure that, within 30 days after the Closing Date, there will be prepared for the purpose of complying with Section 11(b) a Closing Retained Assets and Liabilities Statement describing the amount, nature, and location of, and setting forth the book value (in accordance with Seller's historical practices, excluding LIFO and purchase accounting) of the retained assets and liabilities as of the Closing. The procedure to be followed by the parties for determining the quantities of Seller's alumina available for conversion to aluminum is set forth in Exhibit B.

11(b) Liquidation of Current Assets. (i) Subject to the provisions of Exhibit E, during the period between the Closing Date and the completion of CFAC's obligations under the Conversion Agreement, CFAC, as Buyer's agent, will use, consume, or dispose of the materials described in the Closing Retained Assets and Liabilities Statement, as bailee for Seller and for Seller's account, prior to charging Seller under the Conversion Agreement for similar materials acquired by CFAC. Within 15 days after the end of each month, CFAC will render Seller a statement setting forth the amount and type of materials used or consumed in the prior month in connection with the performance of CFAC's obligations under the Conversion Agreement. Such statement will also set forth the amount and type, if any, of materials used, consumed, or disposed of other than in connection with the performance of CFAC's obligations under the Conversion

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Agreement, together with payment therefor, determined on the basis of the market value of such materials during such month.

(ii) Upon the completion of CFAC's obligations under the Conversion Agreement, any of such materials not disposed of or consumed and accounted for to Seller will be disposed of as follows:

(A) Bath-in-process (fluoride, cryolite, and alumina-in-process) will be purchased from Seller by Buyer or CFAC for $0.12 per pound, the amount of which is agreed to be 2400 tons, no value being attributed to paste.

(B) Buyer or CFAC will offer to purchase all stores, supplies, alloys and other materials from Seller, and Seller will have the option of accepting such offer or removing and taking possession thereof.

(C) Buyer shall cause CFAC (1) to complete the processing of aluminum-in-process (other than aluminum in reduction cells), the quantity of which shall be determined at the Closing Date using established procedures at the Columbia Falls reduction facility as in effect prior to the Closing Date, and (2) to deliver such aluminum to Seller in the form of T ingot, foundry ingot or rolling ingot, in such alloys and sizes as Seller may reasonably request. As compensation for CFAC's services with respect to such aluminum-in-process, Seller will pay CFAC $0.02 per pound of aluminum so delivered.

(D) With respect to Seller's aluminum-in-process in reduction cells, Buyer will purchase such aluminum in accordance with the provisions set forth in Exhibit F.

(iii) In the event that at any time prior to such materials being fully disposed of or consumed and accounted for to Seller, the Smelter Business enters a permanent shutdown or liquidation

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phase, Buyer shall use its best efforts to obtain the highest value for any remaining materials by consuming or selling the same. As an incentive or fee for the services so rendered by Buyer or CFAC, Seller shall pay to Buyer or CFAC (as Buyer may direct) a dollar amount equal to 4.5% of the amount so obtained as a result of Buyer or CFAC's services.

(iv) Buyer shall pay, as agent for Seller, those liabilities associated with the Smelter Business existing on the Closing Date, the general nature of which is set forth in Schedule 11(b)(iv) and will be described in particularity in the Closing Retained Assets and Liabilities Statement, and Seller shall promptly reimburse Buyer for the amounts so paid. In addition, Buyer, or CFAC as its agent, may, for purposes of this Section 11(b)(iv), retain the proceeds or benefit of certain miscellaneous (non-customer) receivables and certain prepaid expenses, deferred charges and long-term notes receivable, which as received or realized will be netted against the reimbursements referred to in the preceding sentence (the general nature of which receivables, expenses, and charges is set forth in Schedule 11(b)(iv) and will be described in particularity in the Closing Retained Assets and Liabilities Statement).

11(c) Method of Liquidating Alumina. Specifically and in implementation of Section 11(b) of this Agreement, the alumina inventory referred to in such section will be liquidated for Seller's account by having CFAC convert such alumina into aluminum pursuant to the Conversion Agreement.

11(d) Accounts Receivable. Although accounts receivable relating to the Smelter Business on the Closing Date are among the Excluded Assets, Buyer and CFAC shall render their best efforts in assisting Seller in collecting such receivables as Seller may reasonably request.

11(e) Taxes. Seller shall be responsible for all taxes (other than taxes in the nature of income taxes) incurred by

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Buyer or CFAC in connection with the liquidation of Seller's retained assets in accordance with this Article XI or in accordance with the Conversion Agreement, and shall pay or reimburse Buyer or CFAC, as the case may be, for the amount of such taxes.

ARTICLE XII
OTHER COVENANTS

12(a) Cooperation and Access. With respect to the Smelter Business, the parties shall cooperate fully in (and give to each other, their accountants, counsel, employees, and other representatives full access to the premises and otherwise to make or cause to be made) such investigations of the business and properties and of their financial and legal condition as each considers necessary or advisable prior to approval by both parties of the Closing Retained Assets and Liabilities Statement except as may be prohibited by existing agreements that do not materially affect such right of access or by law. At any time after the Closing Date, Seller, Buyer, and CFAC shall provide the other person so seeking access to any of the aforementioned information during regular business hours. Furthermore, the parties and CFAC shall retain after the Closing all documents pertaining to the CFAC Stock and the Smelter Business in accordance with the Atlantic Richfield Company policy on Record Retention, a copy of which has been furnished to Buyer. In addition, with respect to tax matters, the cooperation between the parties shall be as set out in Article VIII.

12(b) Inventory. Except as otherwise provided in Exhibit B in the case of alumina, and except in the case of stores which will be determined on the basis of perpetual records, the quantity of the retained inventories referred to in this Agreement shall be ascertained pursuant to physical inventories taken as of the Closing Date by Seller and observed by Seller's auditors, which Buyer's auditors shall have the right to observe. The written results of such inventories shall be provided by Seller to Buyer within 20 days following the Closing Date.

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12(c) Further Documentation. Each party shall use its best efforts after the Closing Date to obtain and deliver to the appropriate entities as promptly as practicable all consents and documents not delivered at the Closing that are required in connection with the consummation of the transactions contemplated herein, including, but not limited to, the vesting in CFAC of rights and interests that are not transferrable by right. Each party shall from time to time at the request of the other, whether on or after the Closing Date, do, make, execute, acknowledge, and deliver (or cause the doing of the same) all such other and further acts and instruments of transfer and consent as may reasonably be required for the more effective implementation of transactions contemplated herein.

12(d) Publicity. All notices to third parties and all other publicity concerning the transactions contemplated by this Agreement shall be jointly planned and coordinated between the parties. Neither party shall act unilaterally in this regard without the prior approval of the other, which approval shall not be unreasonably withheld.

12(e) No Brokers. All negotiations relating to this Agreement and the transactions contemplated hereby have been carried on by Seller and Buyer without the intervention of any person in such a manner as to give rise to any valid claim against either of the parties hereto for a brokerage commission, finder's fee, or other like payment.

12(f) Alumax Alumina. The remaining alumina that Seller is obligated to purchase from Alumax Inc. under the Agreement entered into on April 16, 1985 shall be converted into aluminum for Seller's account pursuant to the Conversion Agreement.

12(g) Services of Buyer's President. Buyer shall ensure that Mr. Brack W. Duker will devote at least two years of full-time effort, or such shorter period as Seller and Buyer may agree, to making the Smelter Business a continuing, viable operating entity.

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ARTICLE XIII
MISCELLANEOUS

13(a) Termination. This Agreement may be terminated and abandoned at any time prior to or on the Closing Date:

(i) By the mutual consent in writing of Buyer and Seller;

(ii) By Buyer by notice to Seller if (x) any of the conditions to the obligations of Buyer contained herein shall not have been satisfied or, if unsatisfied, waived as of the Closing Date; or (y) any material default by Seller, or any material breach by Seller of any agreement, representation, or warranty under this Agreement shall have occurred; or (z) upon the destruction of the Assets of the Smelter Business to such an extent as to substantially curtail or halt normal business operations;

(iii) By Seller upon notice to Buyer if (x) any of the conditions to the obligations of Seller contained herein shall not have been satisfied or, if unsatisfied, waived as of the Closing Date; or (y) any material default by Buyer, or any material breach by Buyer of any agreement, representation, or warranty under this Agreement shall have occured; or

(iv) By Buyer or Seller by notice to the other party if the Closing shall not have occurred on or before October 1, 1985.

13(b) Expenses. Except as may otherwise be provided herein or agreed to in writing by the parties, all legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

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13(c) Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if delivered personally or sent by registered mail or certified mail, postage prepaid, addressed as follows:

To Buyer: Montana Aluminum Investors Corp.
1430 S. Hillcrest Avenue
Pasadena, California 90016

Attn: B. W. Duker, President

To Seller: Atlantic Richfield Company
515 South Flower Street
Los Angeles, California 90071

Attn: Corporate Secretary

or such other address as shall be furnished in writing by any party, and any such notice or communication shall be deemed to have been given as of the date so delivered or mailed.

13(d) Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, that this Agreement may not be assigned by any party without the other party's consent.

13(e) Entire Agreement. This Agreement, together with the exhibits, schedules, and other writings referred to herein, embodies or reflects the entire agreement between the parties, and there are no prior agreements, understandings, representations, or warranties between the parties other than those set forth in this Agreement or such exhibits, schedules, or other writings.

13(f) Headings. The section and other headings of this Agreement and the table of contents are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

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13(g) Amendment and Waiver. This Agreement may be amended or modified in whole or in part at any time by an instrument in writing executed in the same manner as this Agreement. In addition, any party may, at its option, by an instrument in writing executed in the same manner as this Agreement, waive or extend the time for the fulfillment of any condition herein contained to which its obligations hereunder is subject.

13(h) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Montana, excluding choice of law rules, and any suit brought in connection with the enforcement or interpretation of this Agreement shall be brought in the courts of Montana.

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first above written.

MONTANA ALUMINUM INVESTORS CORP.

By: B W Duker
B. W. Duker
President

ATLANTIC RICHFIELD COMPANY

By: C O Goldsmith
C. O. Goldsmith
Senior Vice President

Columbia Falls Aluminum Company joins in, and assents to, this Agreement insofar as any representations, warranties, or agreements are made by it.

COLUMBIA FALLS ALUMINUM COMPANY

By: C O Goldsmith
C. O. Goldsmith
President

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EXHIBIT A

LICENSE AGREEMENT

AGREEMENT dated September , 1985, between Atlantic Richfield Company, a Delaware corporation ("Arco") and Columbia Falls Aluminum Company, a Montana corporation ("CFAC");

W I T N E S S E T H:

WHEREAS, Arco and Montana Aluminum Investors Corporation ("MAIC") have entered into the Acquisition Agreement dated September 10, 1985 ("the Acquisition Agreement") for the transfer by Arco of certain assets associated with the Columbia Falls, Montana aluminum smelter to CFAC and the acquisition of the CFAC stock by MAIC;

WHEREAS, Arco possesses valuable intellectual property applicable to the operations of the smelter facilities; and

WHEREAS, CFAC desires to acquire certain rights to use the intellectual property in connection with such assets.

NOW, THEREFORE, in consideration of the payments made by CFAC under the Acquisition Agreement and in consideration of the premises and of the mutual covenants hereinafter set forth, the parties agree as follows:

ARTICLE I - DEFINITIONS

As used in this Agreement the following terms shall have the following meanings:

1.1 "Closing Date" shall have the meaning set forth in the Acquisition Agreement.

1.2 "Intellectual Property" means all patents and patent applications, all copyrights, registrations and applications for copyright registrations, and all know-how, technical data, trade secrets and other information, including but not limited to, designs, drawings, software, specifications for products, material and equipment, process and manufacturing information, quality control information, performance data, plant service information and similar information.

1.3. "Intellectual Property Rights" means all of the licenseable rights of Arco in and to any Intellectual Property which has been used commercially by Arco or its predecessors at the Columbia Falls, Montana, facility prior to the effective date hereof.

ARTICLE II - GRANT

2.1 Arco hereby grants to CFAC a royalty free, non-exclusive, non-assignable license, to use the Intellectual Property Rights at the Columbia Falls, Montana, facility.

2.2. No sublicensing rights, either express or implied, are granted herein.

ARTICLE III - CONFIDENTIALITY

3.1 CFAC shall treat any Intellectual Property licensed hereunder as confidential and shall take reasonable precautions and efforts to prevent disclosure thereof to any third party, except as provided herein. CFAC's obligations herein shall not extend to any portion of the information (a) which is or hereafter comes into the public domain through no fault of CFAC or (b) which is disclosed to CFAC without restriction on disclosure by a third

party who has the lawful right to make such disclosure. CFAC shall have the right to disclose to third parties such information as is necessary in the judgment of CFAC to assist CFAC in the operation or maintenance of the Columbia Falls facility, provided that each third party is bound to the same obligations of confidentiality as CFAC is bound hereunder.

ARTICLE IV - NO REPRESENTATIONS AND NO LIABILITY

4.1 Arco warrants that it has the right to grant the license granted hereunder.

4.2 Arco makes no representations or warranties that the use of the Intellectual Property Rights does not infringe the claims of any patent or other property right owned by any third party (although Arco represents that as of the date of this Agreement it has no knowledge of any infringement of any such patent or property right, except as set forth in Schedule 3(h)-3 to the Acquisition Agreement). Except as otherwise set forth in the Acquisition Agreement, Arco shall not be responsible for any loss or damage sustained by CFAC or any third party by reason of the application or use of the Intellectual Property constituting an infringement of any third party patent or other property right.

4.3 Except as otherwise set forth in the Acquisition Agreement, Arco makes no representations or warranties as to the accuracy, utility, safety or completeness of the Intellectual Property Rights or to the results obtainable by the use thereof. Arco shall incur no liability to any extent whatsoever for any injury, including death, loss or damage of any kind or nature whatsoever, direct or indirect, suffered by any person or property

arising out of, or resulting from or in any way caused by or attributable to, use by CFAC, its officers, agents and employees of the Intellectual Property Rights provided to CFAC or practiced by CFAC under the license granted hereunder. Arco shall not be liable to CFAC or any third party for general, special, indirect, incidental or consequential damages arising out of the use of the Intellectual Property Rights.

ARTICLE V - TERMINATION

5.1 If CFAC shall be deemed to be in material default of this Agreement as a result of its failure or refusal to perform or comply with any material term or provision hereof or of any material term or provision of the Acquisition Agreement, Arco may give notice to CFAC that this Agreement is terminated if CFAC has not corrected such default within 60 days of such notice.

ARTICLE VI - ASSIGNABILITY

6.1 CFAC shall not assign or transfer this Agreement without the prior written approval of Arco, except to a successor to all or substantially all of the assets of the business of CFAC to which this Agreement pertains, so long as such successor shall assume CFAC's obligations hereunder.

ARTICLE VII - NOTICES

7.1 All notices hereunder shall be in writing and shall be deemed to be sufficiently given when delivered personally or sent

by registered mail, postage prepaid, and addressed if intended for Arco to:

Atlantic Richfield Company
515 South Flower Street
Los Angeles, California 90071
Attention: Secretary

and if intended for CFAC addressed to:

Columbia Falls Aluminum Company
2000 Aluminum Drive
Columbia Falls, Montana 59912
Attention: President

Any party may change the address for receiving notices upon notice to the other party given in the manner set forth in this Section 7.1.

ARTICLE VIII - GENERAL PROVISIONS

8.1 This Agreement and the Acquisition Agreement constitute the entire agreement between the parties hereto with respect to the subject matter hereof. Any modifications of this Agreement shall be in writing and shall be signed by a duly authorized representative of each party.

8.2 This Agreement shall be governed by and construed in accordance with the laws of the State of Montana, excluding choice of law rules, and any suit brought in connection with the enforcement or interpretation of this Agreement shall be brought in the courts of Montana.

8.3 The headings in this Agreement are solely for convenience of reference and shall not be given any effect in the construction or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized representatives as of the date first above written.

ATLANTIC RICHFIELD COMPANY

By _____

Title:

COLUMBIA FALLS ALUMINUM COMPANY

By _____

Title:

EXHIBIT B

ARCO ALUMINA INVENTORY

The amount of ARCO alumina that will be converted into aluminum under the Conversion Agreement will be determined in the following manner:

1. A physical inventory will be taken at the Closing Date of alumina in the storage tanks at Columbia Falls using established Columbia Falls procedures. It is agreed that 5,500 tons of alumina will be considered to be "dead" storage that will not be available for conversion into aluminum. The remaining alumina will be available for conversion to aluminum.

2. In-transit alumina at the Closing Date will be weighed at Columbia Falls using established procedures and be available for conversion to aluminum.

3. Alumina inventory at Port of Everett will be determined using perpetual inventory records which were validated in March 1985. It is agreed that 6,300 tons of alumina will be considered to be "dead" storage that will not be available for conversion into aluminum. The remaining alumina will be available for conversion to aluminum.

4. Alumina remaining to be shipped under the Alumax contract will be calculated at the Closing Date (and later substantiated by bills of lading). This alumina will be reduced by a dust loss percentage of 1/2% to determine alumina available for conversion to aluminum.

5. The amount of alumina in the basement will be determined at the Closing Date using established Columbia Falls procedures.

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The total amount of alumina arrived at in items 1-5 will be converted into aluminum at the current standard conversion factor of 1.96 pounds of alumina to 1 pound of aluminum and this will be the amount of aluminum to be delivered to Arco under the Conversion Agreement. The pounds of aluminum referred to above are tap metal pounds which would be adjusted by the standard Columbia Falls shrinkage factor and increased by any alloys and high-purity metal added to obtain product mix.

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EXHIBIT C

CONVERSION AGREEMENT

AGREEMENT dated September ___, 1985, between ATLANTIC RICHFIELD COMPANY, a Delaware corporation ("Arco"), and COLUMBIA FALLS ALUMINUM COMPANY, a Montana corporation ("CFAC"),

W I T N E S S E T H:

WHEREAS, pursuant to an acquisition agreement dated September 10, 1985 between Arco and Montana Aluminum Investors Corp. ("the Acquisition Agreement"), Arco has on the date hereof transferred to CFAC the fixed assets, but not the current assets, relating to the Columbia Falls, Montana aluminum smelter ("the Smelter");

WHEREAS, the parties desire to provide for the conversion into aluminum of (i) the alumina inventory portion of the current assets located at or relating to the Smelter on the date hereof and (ii) the remaining alumina that Arco is obligated to purchase from Alumax Inc. under the Agreement entered into on April 16, 1985 (such remaining alumina being herein called "the Alumax Alumina");

NOW, THEREFORE, the parties agree as follows:

1. CFAC shall convert into aluminum all of (i) the alumina inventory at or relating to the Smelter on the date hereof, the exact amount of which will be set forth in the Closing Current Assets Statement referred to in the Acquisition Agreement, and (ii) the Alumax Alumina (such alumina inventory and the Alumax Alumina being herein called "the Arco Alumina").

2. Upon conversion of the Arco Alumina into aluminum, the aluminum will be delivered to Arco at the loading facility at the Smelter.

3. The parties intend that the Arco Alumina will be converted into aluminum on a preferential basis. Accordingly, the Arco Alumina will be treated as having been converted into aluminum to be made available to Arco on a first-in, first-out basis.

4. Arco shall reimburse CFAC for its actual costs of conversion, including the costs of (i) moving the Arco Alumina to the pot lines from such storage facilities at which the Arco Alumina may be located on and after the date of closing under the Acquisition Agreement, (ii) converting the Arco Alumina into aluminum, (iii) bringing the aluminum to the Smelter's loading dock and loading it onto Arco's carrier, including the administration of outbound freight, and (iv) CFAC's related overhead and administration expenses (but excluding any charges for financing costs and for depreciation of plant, property, or equipment, any charges with respect to which CFAC or any affiliate has been otherwise reimbursed, any charges relating to income taxes, and any overhead charges from MAIC). If there is any disagreement as to such conversion costs that has not been resolved by the parties for 90 days or more, Arco's accountants and CFAC's accountants shall appoint a mutually acceptable independent accounting firm to render a decision, and such decision shall be binding and conclusive on the parties. CFAC shall give Arco access to all its cost records and data as Arco may reasonably request for the purposes of verifying its obligations under this paragraph 4.

5. The parties recognize that if in performing this Agreement the Smelter uses supplies, materials, etc. remaining the property of Arco under the terms of the Acquisition Agreement, such use will not be an element of cost under this

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Agreement. Such use will, however, be accounted for pursuant to the terms of the Acquisition Agreement. To the extent that CFAC receives the benefit of receivables, deferred charges, prepaid expenses, and other similar items remaining the property of Arco under the Acquisition Agreement, conversion costs under this Agreement will be appropriately credited, provided that Arco does not otherwise receive the benefit of the same.

6. The costs referred to in paragraph 4 will be determined on the basis of Arco's historical and normal accounting and cost computation practices with respect to the Smelter, and such costs will reflect only normal and customary maintenance costs and operating practices. Arco's approval must be obtained before CFAC makes any expenditure relating to (i) fixed capital additions, (ii) pot rebuild and furnace rebuild schedules, (iii) non-operating costs that are included in the category of "managed costs" (as that term was used at the Smelter prior to the date hereof), and (iv) extraordinary costs that exceed $1,000,000 in any one instance.

7. In addition to the reimbursement specified in paragraph 4, Arco shall pay CFAC one cent for each pound of aluminum delivered to Arco pursuant to this Agreement. It is estimated that 30,000,000 pounds of aluminum will be converted from the Arco Alumina each month through April 1986.

8. The aluminum will be delivered to Arco in the form of T ingot, foundry ingot or rolling ingot, in such alloys and sizes as Arco may reasonably request.

9. Title to, and ownership of, the Arco Alumina, material in process, pre-owned supplies, and the aluminum into which the Arco Alumina is converted will at all times remain with Arco.

10. For its services hereunder CFAC shall (i) at least 30 days in advance of each calendar month render Arco an invoice for

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the estimated costs of such month's services and (ii) within 15 days after the end of such month render Arco an invoice or credit reflecting the actual costs of such month's services. Subject to its rights under paragraph 4, Arco shall pay the invoice for estimated costs beginning on the first day of the month in four equal advance installments throughout the month for which such invoice was rendered and the invoice for actual costs within seven days of receipt.

11. This Agreement shall be governed by and construed in accordance with the laws of the State of Montana, excluding choice of law rules, and any suit brought in connection with the enforcement or interpretation of this Agreement shall be brought in the courts of Montana.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

ATLANTIC RICHFIELD COMPANY

By_____

COLUMBIA FALLS ALUMINUM COMPANY

By_____

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EXHIBIT D

AGREEMENT

AGREEMENT dated September ___, 1985 between Atlantic Richfield Company, a Delaware corporation ("Arco") and Columbia Falls Aluminum Company, a Montana corporation ("CFAC").

1. Arco is prepared to loan to CFAC the services of such employees as Arco and CFAC may agree upon prior to the Closing Date under the Acquisition Agreement dated September 10, 1985 between Montana Aluminum Investors Corp. and Arco ("the Acquisition Agreement").

2. (a) Any employee whose services are loaned pursuant to this Agreement (herein called "Loaned Employee") shall remain on the payroll of Arco and shall remain an employee of Arco for all purposes, including but not limited to promotion, demotion, discharge, job classification, determination and payment of salary and other compensation, reimbursement of expenses, payment of any special allowances (including vacation, sick leave and other leaves of absence), and coverage under employee benefit plans maintained by Arco for its employees.

(b) Each Loaned Employee, however, shall be under the general direction of CFAC and shall be responsible to CFAC for the performance of assigned duties and responsibilities as if such employee were an employee of CFAC.

(c) CFAC shall be responsible for all employee relations related expenses or liabilities (e.g., EEO complaints, labor contract grievances, etc.) which may arise as a result of the manner in which CFAC directs, supervises or assigns duties and responsibilities to any Loaned Employee.

3. CFAC shall reimburse Arco for the costs of the services of each Loaned Employee. Such reimbursement shall be on the basis of a monthly statement or invoice submitted by Arco to CFAC and shall be made within 15 days after submission of such statement or invoice. The items to be included on the statement or invoice shall be as follows, with respect to each Loaned Employee:

(i) The gross salary, wages, bonuses and other cash compensation, if any, paid to such Loaned Employee.

(ii) An amount equal to the cost to Arco of such Loaned Employee's coverage under all retirement, thrift or savings, group medical and dental, group life, group long-term disability and all other employee benefit plans maintained by Arco and covering such Loaned Employee. Such cost may be expressed as a percentage of such Loaned Employee's base salary and may include such adjustments from time to time as may be necessary in order to provide for recovery of the full amount of such costs. All such costs shall be determined by Arco under such method as Arco may reasonably adopt, to the end that such costs shall be determined as accurately as may be reasonably possible.

(iii) All levies or contributions made by Arco in respect of such Loaned Employee pursuant to any governmental requirement, including but not limited to unemployment insurance, workers' compensation, Social Security taxes, disability insurance contributions, and the cost of workers' compensation insurance covering such Loaned Employee.

(iv) All business expenses incurred by such Loaned Employee and reimbursed by Arco.

(v) If appropriate, a charge for overhead relating to office space, telephone, payroll and administrative costs associated with employee benefits administration, etc.

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4. This Agreement shall be effective with respect to all employees of the Smelter Business (as defined in the Acquisition Agreement) except those designated by Arco in writing in a communication to CFAC. The application of this Agreement with respect to any such employee may be terminated by written agreement of the parties.

5. This Agreement shall be effective as of the Closing Date under the Acquisition Agreement and shall terminate on October 31, 1985, unless sooner terminated by written agreement of the parties.

6. This Agreement shall be governed and construed in accordance with the laws of the State of Montana, excluding choice of law rules, and any suit brought in connection with the enforcement or interpretation of this Agreement shall be brought in the courts of Montana.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

Executed at Los Angeles, California on September __, 1985.

ATLANTIC RICHFIELD COMPANY

By_____

COLUMBIA FALLS ALUMINUM COMPANY

By_____

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EXHIBIT E

LIQUIDATION OF DIRECT MATERIALS

1. During the period beginning on the Closing Date and ending 30 days prior to the completion of CFAC's obligations under the Conversion Agreement, Buyer, or CFAC as its agent, will use, consume or dispose of Seller's inventory of cryolite, aluminum fluoride, coke, pitch, soda ash and briquettes ("Direct Materials") in such manner as to reduce as ratably as possible during such period Seller's book value therefor (estimated to be $4,500,000 at the Closing Date) to $2,000,000 or such other amount as may be agreed upon by the parties.

2. During the 30-day period prior to the completion of the Conversion Agreement, CFAC shall reduce its costs otherwise chargeable to Seller under the Conversion Agreement, as ratably as possible during such period, by an amount equal to Seller's book value for the then remaining inventory of Direct Materials.

EXHIBIT F

ALUMINUM-IN-PROCESS IN REDUCTION CELLS

1. Purchase of Seller's Aluminum. Within 15 days following the completion of CFAC's obligations under the Conversion Agreement, Buyer will pay Seller, or will cause CFAC to pay Seller, $3,300,000 ("the Base Price") for the purchase of Seller's aluminum-in-process in reduction cells, subject to adjustment as provided in Section 2 of this Exhibit F.

2. Adjustment to Base Price. If the average monthly Midwest U. S. transaction price ("MW US Trans") in U. S. dollars as published by Metals Week in its Monthly Prices page with respect to April, 1986 ("the April 1986 Price"), is other than 51.3 cents per pound, the Base Price shall be adjusted by multiplying $3,300,000 by a fraction, the numerator of which shall be the April 1986 Price and the denominator of which shall be 51.3 cents. The resulting product shall be the amount payable by Buyer or CFAC for Seller's aluminum-in-process in reduction cells.

SCHEDULES

ATTACHED TO AND FORMING PART OF AGREEMENT

DATED SEPTEMBER 10, 1985

BETWEEN

MONTANA ALUMINUM INVESTORS CORP.

AND

ATLANTIC RICHFIELD COMPANY

SCHEDULE 3(f)

DESCRIPTION OF REAL PROPERTIES AND LOCATION OF BUSINESS
(Subject to Title Search)

I. REAL PROPERTY OWNED

A. Parcel No. 1

The Northwest Quarter (NW¼) of Section Thirty-Four (34), Township Thirty-One (31) North, Range Twenty (20) West, M.P.M., Flathead County, Montana, containing an area of one hundred sixty (160) acres, more or less.

B. Parcel No. 2

The East one-half of the Northeast Quarter, the Northwest Quarter of the Northeast Quarter (E½NE¼, NW¼NE¼) of Section Thirty-Four (34), the Southwest Quarter of the Southeast Quarter (SW¼SE¼) of Section Twenty-Seven (27), all in Township Thirty-One (31) North, Range Twenty (20) West, M.P.M., Flathead County, Montana.

C. Parcel No. 3

All that part of Government Lots 1 and 2 in Section 2, Township 30 North, Range 20 West, M.P.M., lying southwesterly of the first hereinafter described line and northeasterly of a line parallel with and distant 150 feet northeasterly from the center line of eastbound main track and the center line of main track of the railway of the Great Northwern Railway Company, as now located and constructed and hereinafter described, containing 2.92 acres, more or less, in Flathead County, Montana.

EXCEPTING AND RESERVING unto the party of the first part, its successors and assigns, forever, all gravel and minerals of any nature whatsoever, including but not limited to coal, iron, natural gas and oil, upon or in said land, together with the use of such of the surface as may be necessary for exploring for and mining or otherwise extracting and carrying away the same.

Subject to existing poles and wires of Flathead Electric Cooperative, Inc., in said Government Lot 1 of Section 2, as covered by permit from said Railway Company dated March 31, 1953.

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Said first line is described as follows:

Beginning at a point in the north line of said Lot 2, distant 710 feet west of the northeast corner thereof; thence southeasterly in a straight line to a point in the east line of said Lot 2 distant 125 feet south of the northeast corner thereof, thence southeasterly in a straight line to a point in the east line of said Lot 1, distant 270 feet south of the northeast corner thereof and there terminating.

Said center line of eastbound main track and said center line of main tract as now located and constructed is described as follows:

Beginning at a point in the north-south quarter line of said Section 4, distant 4 feet north of the south quarter corner thereof; thence northeasterly along said eastbound center line of main track at an angle of 64° 30' with said quarter line for 2686.9 feet; thence northeasterly along a 300 foot spiral curve to the right through an angle of 1° 30'; thence northeasterly and southeasterly along a 1° 00' curve to the right for 3200 feet; thence southeasterly along a 300 foot spiral curve to the right through an angle of 1° 30'; thence southeasterly tangent for 1611.9 feet; thence southeasterly alon a 260 foot spiral curve to the right through an angle of 1° 29' 42"; thence southeasterly along a 1° 09' curve to the right for 71.2 feet; thence southeasterly along a 260 foot spiral curve to the right through an angle of 1° 29' 42"; thence southeasterly tangent for 629.2 feet; thence southeasterly along a 400 foot spiral curve to the left through an angle of 2° 00'; thence southeasterly along a 1° 00' curve to the left for 433.3 feet; thence southeasterly along a 400 foot spiral curve to the left through an angle of 2° 00'; thence southeasterly tangent for 47.3 feet; thence easterly along a 0° 25' 52" curve to the left for 332.2 feet; thence southeasterly tangent for 30.8 feet; thence southeasterly along a 0° 52' curve to the right for 139 feet.

D. Parcel No. 4

All that part of Government Lot 3 of Section 2, Township 30 North, Range 20 West, M.P.M., lying northeasterly of the following described line:

Beginning at a point in the east line of said Lot 3 distant 100 feet northeasterly measured at right angles, from the hereinafter described center line of main track of the railway of the Great Northern Railway Company as originally located and constructed, but now abandoned; thence northwesterly parallel with said original center line to a point in a line parallel with and distant 150 feet northeaster. from the hereinafter described center line of main track and the center line of eastbound main track of said Railway Company, as now located and constructed; thence northwesterly parallel with said center line of main track and said center line of eastbound main track, as now located and constructed, to a point in the west line of said Lot 3 and there terminating; containing 13.79 acres, more or less; also,

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All that part of Lots 1 and 2 of Section 2, said Township and Range, described as follows:

Beginning at the northeast corner of said Lot 1; thence west along the north line of said Lots 1 and 2 to a point 710 feet west of the northeast corner of said Lot 2; thence southeasterly in a straight line to a point in the east line of said Lot 2 distant 125 feet south of the northeast corner thereof; thence southeasterly in a straight line to a point in the east line of said Lot 1, distant 270 feet south of the northeast corner thereof; thence north along said east line of Lot 1 to the place of beginning, containing 7.05 acres, more or less; also,

All that part of Government Lot 6 of Section 4, said Township and Range, lying northwesterly of a line parallel with and distant 100 feet northwesterly from said center line of eastbound main track which is hereinafter described, containing 8.58 acres, more or less.

EXCEPTING AND RESERVING unto the grantor, its successors and assigr forever, all gravel and minerals of any nature whatsoever, including, but not limited to, coal, iron, natural gas and oil, upon or in said lar together with the use of such of the surface as may be necessary for exploring for mining or otherwise extracting and carrying away the same.

Subject to existing poles and wires of Flathead Electric Cooperative, Inc., in said Government Lot 1 of Section 2 as covered by permit from Railway Company dated March 31, 1953.

Said center line of main track as originally located and constructed, but now abandoned, is described as follows:

Beginning at a point in the north-south quarter section line of said Section 4; distant 4 feet north of the south quarter corner thereo thence northeasterly at an angle of 64° 30' with said quarter line for 2836 feet; thence northeasterly and southeasterly along a 1° 00' curve to the right for 3502 feet; thence southeasterly tangent for 1869 feet; thence southeasterly along a 1° 00' curve to the right for 375 feet; thence southeasterly tangent for 1672 feet; thence southeasterly along a 2° 00' curve to the left for 370 feet; thence southeasterly tangent for 337 feet; thence southeasterly and easterly along a 2° 30' curve to the right for 334.7 feet; thence northeasterly tangent for 648.3 feet; thence southeasterly along a 9° 00' curve to the right for 260 feet; thence southeasterly tangent for 230 feet; thence southeasterly along an 8° 00' curve to the left for 288 feet to a point of compound curve and the end of this description.

Said center line of main track and said center line of eastbound main track as now located and constructed is described as follows:

Beginning at a point in the north-south quarter line of said Section 4, distant 4 feet north of the south quarter corner thereof; thence northeasterly along said eastbound center line of main track at an angle of 64° 30' with said quarter line for 2686.9 feet thence

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northeasterly along a 300 foot spiral curve to the right through an angle of 1° 30'; thence northeasterly and southeasterly along a 1° 00' curve to the right for 3200 feet; thence southeasterly along a 300 foot spiral curve to the right through an angle of 1° 30'; thence southeasterly tangent for 1611.9 feet; thence southeasterly along a 260 foot spiral curve to the right through an angle of 1° 29' 42"; thence southeasterly along a 1° 09' curve to the right for 71.2 feet; thence southeasterly along a 260 foot spiral curve to the right through an angle of 1° 29' 42"; thence southeasterly tangent for 629.2 feet; thence southeasterly along a 400 foot spiral curve to the left through an angle of 2° 00'; thence southeasterly along a 1° 00' curve to the left for 433.3 feet; thence southeasterly along a 400 foot spiral curve to the left through an angle of 2° 00'; thence southeasterly tangent for 47.3 feet; thence easterly along a 0° 25' 52" curve to the left for 332.2 feet; thence southeasterly tangent for 30.8; thence southeasterly along a 0° 52' curve to the right for 139 feet to the end of said center line of eastbound main track and the beginning of the center line of said main track; thence continue along said last described course for 26.2 feet; thence southeasterly tangent for 76.5 feet; thence southeasterly along a 200 foot spiral curve to the right through an angle of 2° 00'; thence southeasterly along a 2° 00' curve to the right for 532.5 feet; thence southeasterly along a 200 foot spiral curve to the right through an angle of 2° 00'; thence southeasterly tangent for 164.2 feet; thence southeasterly along a 200 foot spiral curve to the left through an angle of 5° 09'; thence southeasterly and northeasterly along a 5° 09' curve to the left for 530.1 feet to the end of this description.

E. Parcel No. 5

The Northwest Quarter of Section 27, Township 31 North, Range 20 West, M.P.M., Flathead County, Montana.

F. Parcel No. 6

The Southwest Quarter of Section 34, Township 31 North, Range 20 West, M.P.M., subject to such easements and rights-of-way as may be of record.

RESERVING, HOWEVER, all water rights.

G. Parcel No. 7

Lots Two (2) and Three (3) in Section 3, Township 30 North, Range 20 West, M.P.M., Flathead County, Montana. (This property is also known as the Northeast Quarter of the Northwest Quarter (NE¼NW¼) and the Northwest Quarter of the Northeast Quarter (NW¼NE¼).)

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H. Parcel No. 8

The Northeast Quarter of the Northwest Quarter (NE¼NW¼), Lot 2 (being the Northwest Quarter of the Northwest Quarter), the South Half of the Northwest Quarter (S½NW¼), the North Half of the Southwest Quarter (N½SW¼), that part of Lot 1 (Southeast Quarter of the Southwest Quarter) and that part of Lot 2 (Southwest Quarter of the Southwest Quarter) lying South of the Great Northern Railway Company's Right of Way, and the Northwest Quarter of the Southeast Quarter (NW¼SE¼) of Section Two (2), Township Thirty (30) North, Range Twenty (20) West, M.P.M., Flathead County, Montana, also

Lot 1 (being the Northeast Quarter of the Northeast Quarter, the South Half of the Northeast Quarter (S½NE¼), the Northeast Quarter of the Southwest Quarter (NE¼SW¼), the North Half of the Southeast Quarter (N½SE¼), Lot 6 (being a portion of Southeast Quarter of Southwest Quarter, Lot 7 (being a portion of Southwest Quarter of the Southeast Quarter), Lot 8 (being a portion of the Southeast Quarter of the Southeast Quarter) of Section Three (3), Township Thirty (30) Nor Range Twenty (20) West, M.P.M., also

An equilateral triangle of land in the Northeast Corner of the Northwest Quarter of the Southwest Quarter of Section Three (3), Township Thirty (30) North, Range Twenty (20) West, M.P.M., the apex of which triangle of land is the said Northeast Corner of the said Northwest Quarter of the Southwest Quarter, the legs of which triangle are formed by the northern and eastern subdivision lines of said Northwest Quarter of the Southwest Quarter and the base of which triangle is 80 feet southwest from the said Northeast Corner of the Northwest Quarter of the Southwest Quarter of Section Three (3), Township Thirty (30) North, Range Twenty (20) West, M.P.M., also

The Southwest Quarter of the Northwest Quarter (SW¼NW¼) of Section Seventeen (17), Township Thirty (30) North, Range Twenty (20) West, M.P.M., excepting therefrom a tract of land deeded to Knowles Hendrickson et ux, by Deed recorded in Book 309 at Page 14, also excepting therefrom a tract of land deeded to Hubert E. Thomas et us, by Deed recorded in Book 309 at Page 413, Deed Records of Flathea County, Montana, also

The Northwest Quarter of the Southwest Quarter (NW¼SW¼) and the South Half of the Southwest Quarter (S½SW¼) of Section Thirty-Five (35) in Township Thirty-One (31), Range Twenty (20) West, M.P.M.

AND

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The Northwest Quarter of the Southwest Quarter (NW¼SW¼) of Section Three (3), Township Thirty (30) North, Range Twenty (20) West, M.P.M., Flathead County, Montana; EXCEPT and equilateral triangle of land in the northeast corner of the said NW¼SW¼, the apex of which triangle of land is the said Northeast corner of said NW¼SW¼, the legs of which triangle are formed by the north and east subdivision lines, and the base of which triangle is 80 feet southwest from the northeast corner of the said NW¼SW¼. Also excepting road and railroad rights-of-way.

I. Parcel No. 9

The South Half of the Southeast Quarter (S½SE¼) of Section Thirty-Four (34), Township Thirty-One (31) North, Range Twenty (20) West, M.P.M., Flathead County, Montana.

AND

The West Half of the Northwest Quarter and the Northwest Quarter of the Southwest Quarter of Section 4, Township 30 North, Range 20 West, M.P.M., Flathead County, Montana.

J. Parcel No. 10 - [Intentionally omitted as an Excluded Asset]

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K. Parcel No. 11

A tract of land situated in Section Three (3) of Township Thirty (30) North, Range Twenty (20) West, M.P.M., and particularly described as follows: Commencing at a point Three Hundred Five and Seven-tenths (305.7) feet South, and Seventy-Nine and Eight-Tenths (79.8) feet East of an iron pin marking the N.E. corner of NE¼, SE¼, Sec. 3, T-3 ON, R20W, M.P.M.; thence South Four Hundred Ninety-Two (492.0) feet to a point; thence West Six Hundred Eighty-One and Five-tenths (681.5) feet to a point; thence North Five Hundred Sixty-Five (565.0) feet to a point falling 30' Southerly from the center line of the Anaconda Aluminum Company plant access road; thence Easterly on a line falling parallel, and 30.0 feet Southerly of the center line of above access road, for a distance of Three Hundred Seventy-Five (375.0) feet to a point; thence East a distance of Three Hundred Twenty (320) feet, more or less, to the point of beginning.

Being the same property conveyed to Anaconda Wire and Cable Company by Anaconda Aluminum Company by deed dated January 21, 1971 of record in Book No. 521, Page 622 in the records of Flathead County, State of Montana, filed January 27, 1971.

L. Parcel No. 12

Government Lots 6 and 9 in Section 9, Township 30 North, Range 20 West, M.P.M., Flathead County, Montana.

SUBJECT TO existing easements, reservations, rights of way and restrictions in the chain of title.

M. Parcel No. 13

Government Lots Five and Six of Section Seventeen, Township 30 North, Range 20 West, M.P.M., Flathead County, Montana,
EXCEPT: Beginning at the quarter corner between Sections Seventeen and Twenty; thence
South 89° 53' West 161.2 feet along section line; thence
North 24° 11' West 1124 feet to the left bank of Flathead River; thence
North 79° 15' East along left bank of said river, 637 feet; thence
South 0° 12' West 1143.7 feet to the place of beginning.

AND the Northwest Quarter of Section Twenty, Township Thirty North, Range Twenty West, M.P.M., Flathead County, Montana.

EXCEPTING from said tracts, rights of way for public roads.

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N. Parcel No. 14

The Southwest Quarter of the Northwest Quarter and Lot Four (4) of Section Three (3) and the Southeast Quarter of the Northeast Quarter (SE¼NE¼) and Lot One (1) of Section Four (4) in Township Thirty (30) North of Range Twenty (20) West, M.P.M., Flathead County, Montana.

O. Parcel No. 15

The Southeast Quarter of the Northwest Quarter of Section 3, Township 30 North, Range 20 West, M.P.M., Flathead County, Montana, EXCEPT the West 30 feet for a County Road.

P. Parcel No. 16

Lot Two (2) of Section Four (4), Township Thirty (30) North, Range Twenty (20) West, M.P.M., Flathead County, Montana, except rights of way for road and pipeline, according to the record now on file in the office of the Clerk and Recorder of, in and for Flathead County, State of Montana.

AND

The Southwest Quarter of the Northeast Quarter (SW¼NE¼) of Section Four (4), Township Thirty (30) North, Range Twenty (20) West, M.P.M., Flathead County, Montana.

EXCEPT the East one hundred sixty-five (165) feet,
EXCEPT rights of way for public roads.

Q. Parcel No. 17

The Northwest Quarter of the Southeast Quarter, the North Half of the Southwest Quarter of the Southeast Quarter, the Southeast Quarter of the Southwest Quarter of the Southeast Quarter, and the South Half of the South Half of the South Half of the Southwest of the Northeast Quarter of Section Thirty-Three, Township Thirty-One North, Range Twenty West, M.P.M., Flathead County, Montana, EXCEPT rights of way for public roads

AND

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The Southwest Quarter (SW¼) of the Southwest Quarter (SW¼) of the Southeast Quarter (SE¼) of Section Thirty-Three (33), Township Thirty-One (31) North, Range Twenty (20) West, M.P.M., Flathead County, Montana, EXCEPT rights of way for public roads.

R. Parcel No. 18

The Northeast Quarter of the Southeast Quarter (NE¼SE¼) of Section Thirty-Four (34), Township Thirty-One (31) North, Range Twenty (20) West, M.P.M., Flathead County, Montana.

AND

The South Half of the Southeast Quarter, the Southeast Quarter of the Southwest Quarter of Section 26, Township 31 North, Range 20 West, M.P.M., Flathead County, Montana.

Lots One, Two and Three and the North Half of the Northwest Quarter of Section 35, Township 31 North, Range 20 West, M.P.M., Flathead County, Montana, except rights of way for public roads.

S. Parcel No. 19

The Southwest Quarter of the Northeast Quarter (SW¼NE¼) and the Northwest Quarter of the Southeast Quarter (NW¼SE¼) of Sectior Thirty-Four (34), Township Thirty-One (31) North, Range Twenty (20) West, M.P.M., Flathead County, Montana, according to the map or plat thereof on file and of records with the Recorder of Flathead County, Montana.

T. Parcel No. 20

The East Half of the Northeast Quarter, the East Half of the Southeast Quarter, the East Half of the Southwest Quarter, and the South Half of the Northwest Quarter, all in Section 33, Township 31 North, Range 20 West, M.P.M.; EXCEPTING THEREFROM the following tracts in the East Half of the Southwest Quarter previously sold or conveyed:

TRACT I:

Commencing at a point on the East line of said subdivision 16.5 feet North of the Southeast Corner of said subdivision; thence West 330 feet; thence North 132 feet; thence East 330 feet to the East line of said subdivision; thence South 132 feet to the point of beginning.

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TRACT II:

Commencing at a point 280.5 feet North and 165 feet West of the Southeast Corner of said subdivision; thence West 330 feet; thence North 528 feet; thence East 330 feet; thence South 528 feet to the point of beginning.

TRACT III:

Commencing at a point on the East line of said subdivision 280.5 feet North of the Southeast Corner of said subdivision; thence West 165 Feet; thence North 264 feet; thence East 165 feet to the East line of said subdivision; thence South 264 feet to the point of beginning.

U. Parcel No. 21

A tract of land in the Northwest Quarter of the Southwest Quarter (NW¼SW¼) (being Government Lot 7) of Section 9 in Township 30 North, Range 20 West, more particularly described as follows, to-wit: Commencing at a point which bears South 18° 0' East 144 feet from the quarter section corner common to Sections 8 and 9 of Township 30 North, Range 20 West, thence East a distance of 437 feet to a point; thence South 37° 2' West a distance of 159.1 feet to a point; thence South 37° 28' West a distance of 159.1 feet to a point; thence West 244 feet, more or less, to a point which is 5.93 chains South 6° 0' East of the above-described quarter section corner; thence North 253 feet, more or less, to the place of beginning containing two acres, more or less.

V. Parcel No. 22

A tract of land in the Northwest Quarter of the Southwest Quarter (being Government Lot 7) of Section 9, Township 30 North, Range 20 West, more particularly described as follows, to-wit: Beginning at a point which bears South 18° 0' East a distance of 144 feet from the quarter section corner common to Sections 8 and 9 of Township 30 North, Range 20 West; thence South a distance of 253 feet, more or less, to a point which is 5.93 chains South 6° 0' East of the above-described quarter section corner; thence West a distance of 4.19 feet, more or less, to a point which is 60 feet east of the easterly boundary of Block One of the Original Townsite of Columbia Falls, Montana; thence North and on a line parallel to the said easterly boundary of the said Block One, a distance of 253 feet, more or less, to a point which is East 37.4 feet from a point on the westerly boundary of the said Government Lot 7, South 136.95 feet from the above-described quarter section corner; thence East a distance of 7.1 feet, more or less, to the point of beginning of the tract herein described.

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W. Parcel No. 23

Government Lot Five, the Southeast Quarter of the Northeast Quarter, and the Southeast Quarter of Section Nine; The West Half of the Northeast Quarter, and the Northwest Quarter of Section Ten, and The North Half of the Northeast Quarter of Section Sixteen, EXCEPT the South 2 rods of said North Half of the Northeast Quarter of said Section Sixteen; And, Except a tract in the NW¼NE¼ of said Section 16, described as follows:

Beginning at a point on the westerly boundary of the NE¼ of said Section 16, 1003 feet South of the Northwest corner of said NE¼ of Section 16, said point being in the center of a slough; thence North 57 degrees East 146.5 feet; thence North 9 degrees and 50 minutes East 115 feet; thence North 24 degrees 90 feet, and 45 minutes West 225 feet; thence North 32 degrees and 30 minutes West, more or less to the westerly boundary of the NE¼ of said Section 16, said point being in the center of the slough. All in Township Thirty North, Range Twenty West, M.P.M., Flathead County, Montana.
EXCEPT rights of way for public roads,

AND

All Government Lot One, all of the Southeast Quarter of the Northeast Quarter, and that part of the East Half of the Southeast Quarter lying Northwesterly of U. S. Highway No. 2, in Section Ten, Township Thirty North, Range Twenty West, Flathead County, Montana.

All of Government Lot Two, and that part of the Southwest Quarter of the Northwest Quarter, and of the Northwest Quarter of the Southwest Quarter lying Northwesterly of U. S. Highway No. 2, in Section Eleven, Township Thirty North, Range Twenty West, Flathead County, Montana.

That part of the Southeast Quarter of the Northwest Quarter of Section Eleven, Township Thirty North, Range Twenty West, M.P.M., Flathead County, Montana, described as follows:

Beginning at the northwest corner of the Southeast Quarter of the Northwest Quarter of said Section Eleven; thence North 89 degre 53 minutes East 700.8 feet; thence South 42 degrees 53 minutes West 1023.7 feet along U. S. Highway right of way; thence

North 0 degrees 19 minutes West 748.7 feet the the place of beginning. EXCEPTING the following described tracts:

1.

A tract of land in the Southwest Quarter of the Northwest Quarter, and in the Northwest Quarter of the Southwest Quarter of Section Eleven, Township Thirty North, Range Twenty West, Flathead County, Montana, described as follows:

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Commencing at the northwest corner of the Southeast Quarter of the Northwest Quarter of said Section Eleven; thence South along the east boundary of said Wouthwest Quarter of the Northeast Quarter, 752 feet, more or less, to the northerly boundary of U. S. Highway No. 2; thence

Southwesterly along the northerly boundary of said U. S. Highway No. 2, 415.20 feet to the place of beginning, thence from said place of beginning

Southwesterly along the Northerly boundary of U. S. Highway No. 2, 834.80 feet to a point; thence

Northwesterly, at right angles to said Highway, 313.05 feet; thence

Northeasterly and parallel to the said Highway, 834.80 feet, thenc

Southeasterly at right angles 313.05 feet to the place of beginni

2.

That part of the Northwest Quarter of the Southwest Quarter of Section Eleven, Township Thirty North, Range Twenty West, M.P.M., Flathead County, Montana, described as follows:

Beginning at a point on the Northerly right of way line of U. S. Highway No. 2, which point bears South a distance of 750.1 feet and South 43 degrees 09 minutes West a distance of 1362.0 feet from the Northeast corner of the Southwest Quarter of the Northwest Quarter of said Section Eleven; thence from said place of beginning

South 43 degrees 09 minutes West along the Highway right of way a distance of 208.71 feet; thence

North 46 degrees 51 minutes West a distance of 208.71 feet; thence

North 43 degrees 09 minutes East a distance of 208.71 feet; thence

South 46 degrees 51 minutes East a distance of 208.71 feet to the place of beginning.

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SCHEDULE 3(g)

LIENS AND ENCUMBRANCES, ETC.

Liens, encumbrances and restrictions with respect to real property identified in Schedule 3(f) or in the title reports related thereto.

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SCHEDULE 3(h)-1

LIST OF TRADEMARKS, COPYRIGHTS, ETC.

NONE

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SCHEDULE 3(h)-2

INTELLECTUAL PROPERTY AGREEMENTS

Company	Type	Subject
Alcan	Secrecy	TAC Process
ALCOA *	Patent & know-how license	Alcoa 729 Process
ALCOA *	License	Alcoa 469 - Mark II Process
ALCOA *	Technical Information	Alcoa 398 Process
ALCOA *	Patent license	Seam Mix
Alumax	Secrecy	Columbia Falls Information
Pechiney	Secrecy	Electrolyzing Alumina Process
Ardal og Sunndal Verk a.s.	Technical Information & Patents	Bus bar Technology
Catalytic Inc.	Services	Engineering and Construction of Testing Facility
Consolidated Aluminum Corp.	Patent License	NOPO Process
IBM *	Supplement to IBM Program License	Software License
IBM *	System Engineering	Engineering Services
Jacob Engineering Inc.	Secrecy	Design of Alcoa 469 - Mark II Unit
Mitsubishi Chemical Industries	Option Agreement	Cell Technology
Sumitomo Chemical Company *	Know-how license	Cell Technology
Temperator A.B. *	Patent & know-how license	Foam Scrubber Technology

* Not transferable by right

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SCHEDULE 3(h)-3

EXCEPTIONS TO LICENSE AGREEMENTS

NONE

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SCHEDULE 3(i)

INDENTURES, CONTRACTS, ETC.

I. Indentures, Loan Agreements, Security Agreements, Mortgages, and Guarantees: NONE

II. Leases and Other Contracts, Agreements and Commitments:

- Power contract with Bonneville Power Administration that expires July 1, 2001. *
- Lease of alumina facility at Port of Everett, Washington. Lease expires in July 1989. *
- Gas contract with Montana Power Company dated December 31, 1984 (as supplemented by letter dated August 28, 1985). *
- Purchase order with Union Chemical for purchase of coke that expires December 31, 1985.
- Purchase order with Reilly Tar & Chemical for purchase of pitch that expires December 31, 1985.
- Purchase order with Koppers Co. for purchase of pitch that expires December 31, 1985.
- Purchase order with Instal for purchase of cryolite that expires November 30, 1985.
- Purchase order with Alcoa for purchase of fluoride that expires December 31, 1985.
- Purchase order No. 30-02876 with Union Carbide for purchase of driox oxygen that expires October 1988.
- Purchase order No. 30-02878 with Union Carbide for purchase of nitrogen that expires October 1988.
- Purchase order No. 30-02879 with Union Carbide for nitrogen tank rental that expires October 1988.
- Purchase order No. 30-02880 with Union Carbide for purchase of argon which expires June 1986.
- Purchase order No. 30-13061 with Summitomo Chemical Company for purchase of bottom blocks, which expires July 1986

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III. Leases and Rentals Pertaining to Computer Hardware

A. Unicom Computer Corporation - (Monthly Lease) *

TYPE/SERIAL	MOD	DESCRIPTION	INST DATE
3203/14091	005	LINE PRINTER	11/78
3274/34252	D01	TERM CNTR UNIT	01/81
3274/64572	D31	TERM CNTR UNIT	09/82
3278/N2112	002	TERMINAL	10/80
3278/N3785	002	TERMINAL	10/80
3278/N8187	002	TERMINAL	10/80
3278/P3235	002	TERMINAL	10/80
3278/S5402	002	TERMINAL	10/81
3278/S5429	002	TERMINAL	10/81
3278/S5430	002	TERMINAL	10/81
3278/T2599	002	TERMINAL	10/81
3278/Y4428	002	TERMINAL	10/80
3278/Y6130	002	TERMINAL	10/80
3278/Y6131	002	TERMINAL	10/80
3278/12596	002	TERMINAL	10/80
3278/14F71	002	TERMINAL	01/83
3278/15644	005	TERMINAL	10/80
3278/18L16	002	TERMINAL	04/82
3278/20553	002	TERMINAL	10/80
3278/21M85	002	TERMINAL	04/82
3278/21M86	002	TERMINAL	04/82
3278/21M87	002	TERMINAL	04/82
3278/21M88	002	TERMINAL	04/82
3278/21W71	002	TERMINAL	04/82
3278/21W72	002	TERMINAL	04/82
3278/21W73	002	TERMINAL	04/82
3278/21W74	002	TERMINAL	04/82
3278/21W75	002	TERMINAL	04/82
3278/28H27	002	TERMINAL	02/83
3278/28033	002	TERMINAL	10/80
3278/28034	002	TERMINAL	10/80
3278/29C52	002	TERMINAL	02/83
3278/3A234	002	TERMINAL	02/81
3278/3A235	002	TERMINAL	02/81
3278/3A236	002	TERMINAL	02/81
3278/3A237	002	TERMINAL	02/81
3278/34345	002	TERMINAL	10/80
3278/36330	002	TERMINAL	10/80
3278/36332	002	TERMINAL	10/80
3278/36333	002	TERMINAL	10/80
3278/36339	002	TERMINAL	10/80
3278/36340	002	TERMINAL	10/80

* Not transferable by right

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A. Unicom Computer Corporation* - continued

TYPE/SERIAL	MOD	DESCRIPTION	INST DATE
3278/4U455	002	TERMINAL	02/83
3278/44A65	002	TERMINAL	07/82
3278/45673	005	TERMINAL	10/80
3278/47337	002	TERMINAL	10/80
3278/47783	002	TERMINAL	10/80
3278/5A184	002	TERMINAL	06/81
3278/5A185	002	TERMINAL	06/81
3278/58Q13	002	TERMINAL	09/82
3278/58Q14	002	TERMINAL	09/82
3278/58Q15	002	TERMINAL	09/82
3278/58Q16	002	TERMINAL	09/82
3278/58Q17	002	TERMINAL	09/82
3278/58Q18	002	TERMINAL	09/82
3278/58Q19	002	TERMINAL	09/82
3278/58Q20	002	TERMINAL	09/82
3278/58Q21	002	TERMINAL	09/82
3278/58Q22	002	TERMINAL	09/82
3278/63366	002	TERMINAL	10/80
3278/78086	002	TERMINAL	01/83
3278/8C807	A02	TERMINAL	11/81
3278/84306	002	TERMINAL	10/80
3278/84307	002	TERMINAL	10/80
3278/84308	002	TERMINAL	10/80
3278/87497	002	TERMINAL	02/81
3278/87498	002	TERMINAL	02/81
3278/90391	002	TERMINAL	10/80
3279/A6468	S3G	COLOR TERMINAL	04/83
3279/C1519	S3G	COLOR TERMINAL	04/83
3279/C1520	S3G	COLOR TERMINAL	04/83
3279/C2442	S3G	COLOR TERMINAL	04/83
3279/88054	S3G	COLOR TERMINAL	01/83
3279/P1613	S3G	COLOR TERMINAL	09/84
3279/P1620	S3G	COLOR TERMINAL	09/84
3287/B0042	002	PRINTER	10/81
3287/B0043	002	PRINTER	10/81
3287/C3219	C01	COLOR PRINTER	04/82
3287/C3220	C01	COLOR PRINTER	04/82
3287/C3221	C02	COLOR PRINTER	04/82
3287/C3222	C02	COLOR PRINTER	04/82
3287/C6293	C01	COLOR PRINTER	05/82
3287/D4415	002	PRINTER	09/82
3287/D4859	C02	COLOR PRINTER	09/82
3287/F3733	C02	COLOR PRINTER	08/83

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A. Unicom Computer Corporation - continued

TYPE/SERIAL	MOD	DESCRIPTION	INST DATE	
3287/F5280	C02	COLOR PRINTER	08/83	
3287/59113	001	PRINTER	10/80	
3287/73332	001	PRINTER	09/80	
3287/83127	002	PRINTER	11/80	
3370/25889	A01	DASD	11/81	
3370/28231	A01	DASD	06/82	
3370/40686	B01	DASD	06/82	
3370/45984	B01	DASD	11/81	
3370/45988	B01	DASD	11/81	
3420/G1939	004	TAPE DRIVE	11/81	
3420/G2009	004	TAPE DRIVE	11/81	
3420/G2073	004	TAPE DRIVE DD	11/81	
3705/81869	M82	REMOTE CNTR UNIT	04/83	
3803/23642	002	TAPE CNTR UNIT	11/81	
		MONTHLY LEASE CHARGES FOR ABOVE:		$19,128.00
4341/15983	L02	CPU	04/85	$4,300.00
6670/0001462	002	INFO DISTRIBUTOR	12/80	$2,001.00
3287/59119	002	REMOTE PRINTER	11/80	$ 203.00 (IN LOUISVILLE)

B. IBM Corporation - (Monthly Lease) *

TYPE/SERIAL	MOD	DESCRIPTION	INST DATE	MONTHLY CHARGE	BUY OUT $
3276/58989	002	REMOTE TERMINAL (in Louisville)	11/80	$379.00	$4,229
1416/97984	PN2	PRINT TRAIN	11/78	$178.00	$1,465
3279/G4922	S3G	COLOR DISPLAY	06/85	$244.00	

C. Hewlett Packard Co. - (Lease Installment Payout) *

TYPE/SERIAL	DESCRIPTION	INST DATE	MONTHLY CHARGE	LEASE EXPIR DATE
7585B	HP PLOTTER	08/83	$849.00	08/01/85

* Not transferable by right

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D. Northwest Telephone Co. - (Monthly Rental) *

MODEM SERIAL		MANUFACTURER	MONTHLY CHARGE	
GDC 108-1A		GENERAL DATACOM	$25.00	
T108E	(2)	RIXON	$19.00	
T201C	(2)	RIXON	$25.00	
208/A		BELL	$1990.00	COST FOR MODEM AND LEASED LINE TO LOUISVILLE
GDC LDM-1	(2)	GENERAL DATACOM	$28.00	

IV. Leases Pertaining to Computer Software

A. IBM Corporation - (Monthly Lease) *

	PRODUCT #	DESCRIPTION
(i)	OPERATING SYSTEMS	
	5664-167	VM/SP REL 3.0
	5745-030	DOSVSE REL 2.0 (SIPO 5750-AAB)
	5746-XE8	ADVANCED FUNCTIONS (DOSVSE)
	5749-010	VM/CMS
(ii)	COMMUNICATIONS	
	5746-XX3	CICS REL 1.5.0
	5747-CG1	BTAM/SCP REL 1.0
	5746-RC5	BTAM/ES REL 1.0
	5748-XP1	RSCS
	5748-RC1	BISYNC PASS-THROUGH
	5796-PPF	3101 BISYNC PASS-THROUGH
(iii)	UTILITIES	
	5746-SA1	VSE/IPCS REL 2.0
	5746-AM4	FAST COPY REL 1.0
	5746-UT3	VSE/DITTO REL 1.0
	5746-SM2	SORT/MERGE REL 3.0
	5746-AM2	VSE/VSAM SPACE MANAGMENT FOR SAM REL 2.0
(iv)	SYSTEM MANAGMENT	
	5796-PNA	VM REALTIME MONITOR REL 1.0

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A. IBM Corporation - continued *

(v) GENERAL SOFTWARE

5748-MS1	VM/INTERACTIVE PRODUCTIVITY FACILITY REL 1.0
5748-XXB	DISPLAY MANAGEMENT SYSTEM/CMS REL 2.0
5748-XXH	GRAPHICAL DATA DISPLAY MANAGER & PRESENTATION GRAPHICS FEATU
5748-XX1	VSBASIC
5734-XMB	BUSINESS ANALYSIS BASIC
5734-XM8	MATH BASIC
5734-XA3	STAT BASIC
5668/012	IIS/CMS
5796/PNE	DCF COURSE TO RUN UNDER IIS
5748-XX9	DOCUMENT COMPOSITION FACILITY REL 2.0
5798-DBR	DCF POST PROCESSOR
5734-LM5	OS PL1 TRANSIENT LIB R03 M00 PF08
5744-AN1	3705 EP/VS REL 3.0 (CMS)
5746-XC4	DMS/CICS REL 2.0
5746-TS1	VSE/ICCF REL 2.0
5746-XE3/01	VSE/POWER REL 2.0
5746-XE3/02	VSE/POWER/RJE
5746-AM2	VSE/VSAM REL 2.0
5748-MS1	VSE/IPF REL 2.0
5746-CB1	COBOL REL 2.5
5746-RG1	RPGII REL 3.0
5746-AM2	VSE/VSAM BACKUP RESTORE REL 2.0
5798-DFH	FORTRAN/H EXTENDED

(vi) SERIES/1 SOFTWARE

** 5719 - XS3	BASIC SPVR & EMUL VER 3	3
** 5719 - ASA	EDX MACRO ASSEMBLER	2
** 5719 - CF1	EDX COMMUNICATIONS FACI	7
** 5719 - FO2	FORTRAN IV COMP/OBJ SUP	1
** 5719 - LM3	MATH/FUNCTIONAL SUBLIB	3
** 5719 - UT5	EDX UTILITIES	3
** 5719 - XX4	PROGRAM PREP FACIL VER 3	3

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* Not transferable by right

** Current plans are to cancel Rectifier leased software modules 5719-XS3, 5719-ASA, 5719-LM3, 5719-UT5, & 5719-XX4 (all outdated Version 3 software) to be replaced by purchasing 5719-XS5 (Version 5 software newly released) later this year or early 1986.

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B. McCormack and Dodge - Arco Corporate Contract *

- General Ledger
- Accounts Payable

C. Information Sciences - Arco Corporate Contract *

- Payroll

D. Pansophic Systems, Incorporated *

- Panvalet, Version 10.0 ID=034502

E. Candel Corporation *

- Omegamon, CICS Performance Analyzer

F. Dylakor Software Systems, Inc. *

- DYL280, DOS & CMS

G. Execucom Systems Corporation *

- IFPS

H. CFS Inc. *

- DOCS (Display Operator Console Support)

V. Other

- Agreements set forth in Schedule 3(h)-2

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* Not transferable by right

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SCHEDULE 3(j)

BONUS ARRANGEMENTS, COLLECTIVE BARGAINING AGREEMENTS, PENSIONS, ETC.

I. Bonus Arrangements

None

II. Collective Bargaining Agreements

- Agreement with Aluminum Workers' Trades Council of Columbia Falls, AFL-CIO dated September 15, 1983, expiring September 15, 1986.

III. Pension Plans

- Retirement Plan for Salaried Employees of the Anaconda Minerals Division and ARCO Metals Division of Atlantic Richfield Company.

- Pension Plan for Day's Pay Employees of the Anaconda Minerals Division and ARCO Metals Division of Atlantic Richfield Company.

IV. Other Employee Benefit Plans, and Other Material Benefits or Pay Arrangements or Policies Applicable to any Employee of the Smelter Business.

- Salaried personnel - Set forth in employee handbook - "You and Anaconda".

- Hourly personnel - Set forth in collective bargaining agreement.

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SCHEDULE 3(k)

LICENSES, PERMITS, ETC.

I. Licenses & Permits:

* Special Use Permit issued yearly by the U. S. Department of Interior for the Company to operate and maintain an air sampling station in Glacier Park. There is no fee.

* Montana Groundwater Pollution Control System Permit issued by the State Water Quality Bureau allows operation of sources that have the potential to discharge to groundwater. These include three wastewater surface lagoons and two landfills. Requirements include discharge limitations and water monitoring. No fee is required. The permit expires on December 31, 1993.

* Permits to alter or construct air contaminant sources must be obtained from the State Air Quality Bureau. Numerous permits for baghouse dust collection systems have been obtained.

II. Other Goverment Requirements:

* A Materials License from the U. S. Nuclear Regulatory Commission is required for laboratory source material for analytical applications.

* A Hazardous Waste Generator Registration, fee $10.00 yearly, must be sent to the State Solid Waste Bureau.

* Certificates of insurance for non-sudden and accidental occurrences for the hazardous waste storage facility must be sent annually to the State Solid Waste Bureau.

* A biennial hazardous waste report must be sent to the Solid Waste Bureau.

* Laboratory x-ray equipment is registered with the Montana Department of Health.

NOTE: Licenses and permits ordinarily are not transferable by right.

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SCHEDULE 3(1)

LITIGATION AND DISPUTES

as of August 26, 1985

A. Employee Claims

Charles E. Darling v. ARCO Metals Company
USDC for Montana, Missoula Division
Filed: March 12, 1984

Lori A. King v. ARCO Metals Company
USDC for Montana, Missoula Division
Filed: March 2, 1984

LeRoy L. Porter v. ARCO Metals Company
USDC for Montana, Missoula Division
Filed: December 21, 1984

B. Northwest Power Matters - (Litigation involving Direct Services Industries)

Aluminum Company of America v. Bonneville Power Administration
United States Claims Court
Filed: December 23, 1983

ARCO Metals Company v. FERC
Ninth Circuit Court of Appeals
Filed: October 19, 1984

Atlantic Richfield Company v. Bonneville Power Administration
Ninth Circuit Court of Appeals
Filed: December 23, 1983

Coalition for Safe Power v. Oregon Public Utility Commission
Oregon Circuit Court, Multanomah County
Filed: Late 1982

Kaiser Aluminum & Chemical Corp. v. Bonneville Power Administration
Ninth Circuit Court of Appeals
Filed: September 10, 1982

Martin Marietta Aluminum Inc. v. Johnson
Ninth Circuit Court of Appeals
Filed: September 1983

Reynolds Metals Company v. Bonneville Power Administration
Ninth Circuit Court of Appeals
Filed: March 23, 1983

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Southern California Edison v. FERC
USDC, District of Columbia
Filed: 1983

California Energy Resources Commission v. Johnson
Ninth Circuit Court of Appeals
Filed: 1981

Pacific Power & Light v. Bonneville Power Administration
Ninth Circuit Court of Appeals
Filed: March 1984

Public Power Council v. Johnson
Ninth Circuit Court of Appeals
U. S. District Court, Oregon

Public Utility Commissioner of Oregon v. Bonneville Power Administration
U. S. District Court, Oregon
Ninth Circuit Court of Appeals
Filed: March 1984

City of Seattle v. Johnson
U. S. District Court, Oregon
Filed: December 15, 1983

City of Seattle v. Johnson
Ninth Circuit Court of Appeals
Filed: December 15, 1983

Southern California Edison v. FERC
Ninth Circuit Court of Appeals
Filed: December 1983

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SCHEDULE 3(m)

NOTICE OF ANY JUDGMENT, ORDER, DECREE, ETC.

NONE

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SCHEDULE 11(b)(iv)
GENERAL NATURE OF RETAINED ASSETS AND LIABILITIES
FOR WHICH BUYER, OR CFAC AS ITS AGENT,
WILL ACT AS BAILEE FOR SELLER

ASSETS

Accounts Receivable	-	Freight Claims
Accounts Receivable	-	Vendor Claims
Accounts Receivable	-	Employees
Accounts Receivable	-	Employee Advances
Accounts Receivable	-	Other
Inventory	-	Raw Materials
Inventory	-	Alloys & Sweet "T"
Inventory	-	Supplies
Prepaid Expenses	-	Rent
Prepaid Expenses	-	Riser Bar Orders
Prepaid Expenses	-	Fabrication Orders
Prepaid Expenses	-	Dross
Prepaid Expenses	-	Other
Deferred Charges		
Non-Current Receivables		

LIABILITIES

Accounts Payable	-	Trade Vendors
Accounts Payable	-	BPA
Accounts Payable	-	Montana Power
Accounts Payable	-	Unvouchered Items
Accounts Payable	-	Other
Accrued Wages Payable		
Misc. Deduction Payable	-	Hourly
Accrued Property Taxes		
Accrued Liabilities	-	Freight

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