

Herculaneum Voluntary Property Purchase Plan

I. Introduction

The Doe Run Company will offer to purchase approximately 160 homes near the company's lead smelter in Herculaneum, Missouri. This plan will be fully funded by the Doe Run Company. Doe Run is committed to meeting the needs of those residents in the community affected by this plan. This property purchase and relocation plan reflects a fair and responsive process to meet those needs.

The Doe Run Company has retained Development Resource Group, Inc. (DRG), a St. Louis-based firm specializing in providing quality acquisition and relocation services to families and businesses displaced due to natural disasters, hazard concerns, noise issues and development projects, to assist them in developing and carrying out this important plan.

The property purchase and relocation plan described below will be carried out in phases. Phase I will include an estimated 26 properties in which children younger than 72 months of age currently reside. The remaining 134 homes will be purchased over the following two years. Approximately half of the remaining properties will receive offers in each of calendar years 2003 and 2004.

II. Property Purchase

This section details the provisions that are provided for eligible property owners who voluntarily choose to sell their property to the Doe Run Company.

1. Each property owner that voluntarily requests an offer from the Doe Run Company will be afforded the choice to rank by preference three independent appraisers certified pursuant to Section 339.500 et seq., RSMo 2000 (as amended) hired by DRG to perform the initial base property appraisals. DRG will make every effort to accommodate each property owner's preference, yet maintain a balance in the workload to insure timely appraisals.
2. An independent appraiser shall be engaged, following the ranking and selection process, to conduct the initial base appraisal. The appraisal shall reflect the fair market value (FMV) of the subject property as of August 1, 2001 and will be conducted using the Uniform Standards of Professional Appraisal Practice.
3. Following completion of the initial base appraisal, a separate and independent review appraiser, also retained by DRG, will perform an objective review and analysis of the base appraisal. In the event the review appraiser finds an error in the base appraisal, the appraisal will be adjusted to correct the error prior to presentation of the offer of FMV to the property owner. The review appraiser will sign off on the FMV appraisal that will then become the Offer of Compensation from the Doe Run Company to the property owner.

4. A written Offer of Compensation will be hand delivered to the property owner by representatives of DRG acting as agents on behalf of the Doe Run Company. Included in the Offer of Compensation will be the FMV of the property (as determined by the appraisal process) and a description of the relocation benefits and payments for which that specific household is eligible.
5. An independent appeals process will be in place in the event a property owner wishes to submit their own appraisal and appeal the initial FMV offer from the Doe Run Company.

Appeal Procedure

Any property owner receiving a written Offer of Compensation from the Doe Run Company may request a review of the determination of the FMV of that offer. A review may be initiated at any time following written Offer of Compensation by delivering or mailing a written Request for Appeal to their DRG caseworker which shall include an appraisal submitted by the property owner as the basis for that appeal. In the event a Request for Appeal is submitted, an independent certified real estate appraiser from outside Jefferson County, Missouri shall be selected by DRG to serve as Appeals Judge in the appeal proceedings. The role of the Appeals Judge shall be to conduct an independent, non-biased review of the two subject appraisals.

The review shall be conducted within a reasonable time and shall be made solely on the basis of the supporting documentation provided, which shall include the appraisal by which the offer was determined and the appraisal obtained and submitted by the property owner.

Within thirty (30) days of completion of the review, the Appeals Judge shall make a written determination in which the decision shall be final. The Appeals Judge shall promptly furnish DRG the written response and determination of the appeal. DRG will then forward the response to the parties involved.

Following the appeal process, DRG will extend an offer reflecting the Appeals Judge decision to the property owner. The property owner shall have the right to accept or reject the Appeal Judge determination and reserve the right to retain ownership based on that determination.

III. Relocation Assistance

Each household that *relocates, or is required to relocate, due to the voluntary sale of property to the Doe Run Company* will receive assistance from representatives of DRG who will help facilitate their relocation. DRG representatives will take a one-on-one casework approach with each eligible household and will be available to assist the household throughout the purchase and relocation process. Each eligible household will be offered an initial meeting with his/her caseworkers who will collect baseline information regarding his/her relocation needs and preferences in order to allow the caseworker to ease their relocation process. The caseworker will serve as a resource for the household to ask questions about the purchase and relocation process and obtain

any necessary assistance. The type of services the caseworker will provide will include the following:

Residential Displaced Persons - Eligible Tenants and Owner/Occupants

1. Written information explaining the purchase and relocation program.
2. A program for describing the specific relocation payments that each individual household may be eligible for and the conditions and/or the procedures for obtaining the payments.
3. A program of referrals by which each household may receive referrals to suitable replacement housing. Every effort will be made to assist residents in obtaining affordable, suitable housing in the areas where they wish to reside.
4. Identification of any special needs of the household and assistance in obtaining any social services which may be required to meet those needs.

IV. Relocation Payments

The relocation payments that will be provided to those households that will be required to move as a result of the voluntary purchase of property by the Doe Run Company have been tailored to meet the needs of each affected group. The eligibility requirements and benefit levels for each displaced group are described below:

Eligibility

Any owner/occupant household or residential tenant household that moves or is required to move from the Property Purchase Area as a result of the voluntary purchase of property by the Doe Run Company shall be eligible for relocation assistance, which includes relocation payments to assist them in the move.

1. Relocation Payments for Owner /Occupants of Residential Property

Each residential owner/occupant household who chooses to sell their property to the Doe Run Company may be eligible to receive the following relocation assistance:

- a.) A Fixed Moving Expense Payment in the amount of \$ 1,500;
- b.) A Replacement Housing Payment (RHP) to assist the owner occupant in purchasing a replacement home. The Festus/Crystal City area will be primary consideration for the determination of the RHP. The RHP will be a differential payment which shall be computed by subtracting the FMV of the subject property from the lesser of a suitable replacement home currently for sale on the market of similar size, function/purpose and location (including no known adverse environmental conditions) or the actual replacement home the property owner purchases and occupies. The RHP represents the upper limit of replacement housing purchase assistance for which the household will be eligible. Licensed real estate

agents from DRG will select at least three suitable homes for the determination of the RHP. The RHP will be based on the lesser of the three suitable homes.

- c.) A Fixed Closing Cost Payment in the amount of \$1,500

Each residential owner/occupant household who voluntarily sells their property to the Doe Run Company shall receive the Replacement Housing Payment and Fixed Closing Cost Payment only if the household:

- (i) *Actually legally owned and occupied the subject dwelling on or after August 1, 2001 and still owns the property.*
- (ii) *Purchases and occupies a replacement dwelling by June 30, 2005*
- (iii) *In the event the owner occupant chooses not to purchase a replacement dwelling on or before June 30, 2005, the property owner will no longer be eligible for either the Replacement Housing Payment or the Fixed Closing Cost Payment*

2. Relocation Payments for Residential Tenants

In the event property in the Voluntary Property Purchase Area is occupied by a tenant household with children under the age of 72 months and the property owner chooses to sell the property to the Doe Run Company, the residential tenants will not be allowed to continue occupancy of the property upon transfer of title to the Doe Run Company and shall be eligible for the following relocation assistance:

- A. A fixed Moving Expense Payment in the amount of \$1,500

Tenants of properties sold to Doe Run that do not have children under 72 months of age in occupancy of the property may choose one of the following options:

- A. Continue to reside in the property as a tenant of Doe Run until such time as their current lease expires, at which time the tenant shall be eligible for the Fixed Moving Expense Payment in the amount of \$1,500.
- B. Elect not to become a tenant of the Doe Run Company upon sale of the property to Doe Run and receive a fixed Moving Expense Payment in the amount of \$1,500 to assist them in moving from the property.

3. Relocation Assistance for Mobile Home Park Residential Tenants

Mobile home park residential tenants: with children under the age of 72 months who own the mobile home and voluntarily sell their property to the Doe Run Company, shall also be eligible for relocation assistance regardless of whether the fee owner sells the property to the Doe Run Company. The relocation assistance shall include the following:

- A. A fixed Moving Expense Payment in the amount of \$1,500 (in addition to the FMV of the personal property as determined by independent appraisal).

In the event the mobile home park owner chooses to sell the property to the Doe Run Company, the mobile home tenants that do not have children under 72 months of age in occupancy of the property may choose one of the following options:

- A. Continue to reside in the property as a tenant of Doe Run until such time as their current lease expires, at which time the tenant shall be eligible for the Fixed Moving Expense Payment in the amount of \$1,500 to assist them in moving their mobile home *or* receiving FMV of the mobile home if the mobile home owner chooses to sell the mobile home to the Doe Run Company and a Fixed Moving Expense Payment in the amount of \$1,500 to assist them in moving the contents of the mobile home.
- B. Elect not to become a tenant of the Doe Run Company upon sale of the mobile home park property to Doe Run and receive:
 1. A fixed Moving Expense Payment in the amount of \$1,500 to assist them in moving the mobile home from the property.

or

 2. The FMV of the mobile home if the mobile home owner chooses to sell the mobile home to the Doe Run Company and a Fixed Moving Expense Payment in the amount of \$1,500 to assist them in moving the contents of the mobile home.

Rental Provision for Owner Occupants

A home owner occupant household may rent the property back from the Doe Run Company following the sale and closing for a period not to exceed 6 **months (only if there are no children living in the home under the age of 72 months during the rental period)** in the event the replacement home is under construction or not yet ready for occupancy. The rental rate shall be 0.75% of the FMV of the property per month.

Time for Filing for Relocation Payments

All households eligible for relocation assistance shall have until June 30, 2005 to file a claim for relocation payments of which they are entitled.

V. Exclusions to Plan

1. Vacant lots will not be considered for purchase under this plan. However, the Doe Run Company will reserve the right to entertain such an offer directly.
2. Commercial properties will not be considered for purchase under his plan.

3. Only properties that include the land rights will be considered for *purchase with the exception of mobile homes in which children under the age of 72 months currently reside*.
4. There will be no provision for the loss of rent for investor properties in which tenants move prior to their eligibility for an offer to purchase.
5. Investor owners who voluntarily sell their property to the Doe Run Company shall not be eligible for moving expenses, a replacement housing payment (RHP) or the closing cost allowance.
6. Tenants who moved prior to an offer being presented and accepted by the property owner shall not be eligible for moving expenses. Only those tenants who currently reside in the property at the time the offer to purchase is *accepted* will be eligible for moving expenses and advisory assistance. In the event the property owner does not sell following the offer to purchase, the tenant will not be eligible for moving and advisory assistance if they choose to vacate the property of their own free will.

VI. Property Management

The Doe Run Company will maintain the property in which it purchases under this plan and will comply with all applicable City and County ordinances and requirements on property upkeep. The lawns will be cut and trash removed from all vacant properties it currently owns or acquires. Building security will be maintained for these properties.

VII. Recordkeeping, Records and Reports

DRG, on behalf of the Doe Run Company, shall maintain records and reports of the purchase and relocation activities in sufficient detail to demonstrate compliance with this plan for at least three (3) years from the date the expiration of the Voluntary Property Purchase Plan.

Recordkeeping/Records

The individual case files shall contain the following information:

1. Identification of the property owner's name, address and date of initial contact.
2. Evidence that the property owner received the written Offer of Compensation as required under this plan.
3. Evidence that each property owner received written notice of the relocation package for which the property owner is eligible.

4. Identification of relocation needs and preferences and dates of personal and other contacts and services provided.
5. Identification of referrals to suitable replacement properties and the rent or sale price of each referral.
6. Identification, by address, of the replacement property, rent or sale price of the replacement dwelling and the date of relocation.
7. Copy of each approved claim/invoice form and related documentation evidencing that the owner occupant received all payments due under this plan with regard to the purchase and relocation of the household.

Reports

DRG, on behalf of the Doe Run Company, shall maintain status reports tracking the offer status of each individual property that initially requests an appraisal and expresses interest in entertaining an offer from the Doe Run Company. DRG shall provide periodic reports/updates on the progress of the acquisition and relocation process for each property to Doe Run.