



The Restoration Project Frequently Asked Questions

General

1. What is Basic Management, Inc. (BMI)?

Basic Management Inc. (BMI) is a privately-owned holding company incorporated in 1952 to own and manage the common utilities of the industrial plants located within the Basic Magnesium plant complex, now known as Black Mountain Industrial Center. In the 1940s, the Basic Magnesium complex was the site of the world's largest magnesium facility. It played a vital role in World War II producing the crucial component for aircraft production. BMI continues to provide utility services to its industrial and governmental customers and, with more than 55 years of continuous operation, is one of Nevada's oldest companies. Its safety and on-stream records are among the finest in Nevada.

2. Who is Basic Remediation Company?

Basic Remediation Company (BRC) is a wholly owned subsidiary of BMI that will carry out remediation and restoration of the 2,200 acre site east of Boulder Highway.

3. What is The LandWell Company?

The LandWell Company (LandWell) is a land development company known for its successful redevelopment projects in Southern Nevada, including Black Mountain Industrial Center, Valley Auto Mall and the Traverse Point Mixed Use Development. The LandWell Company is a limited partnership, affiliated with BMI and is based in Henderson. LandWell and BMI have been developing land for more than 18 years. Since 1991, it has successfully developed more than 1,200 acres of retail, light industrial, commercial and residential projects in and around Henderson. LandWell, led by CEO and President Mark Paris, purchased the 2,200 acres of land east of Boulder Highway in 1992 from Basic Management, Inc. It will oversee the restoration and reclamation efforts of the property.

4. How does BMI and The LandWell Company relate to the BMI complex and the industrial plants nearby like TIMET and Tronox?

The TIMET, Tronox, Olin Chlor-Alkali and Chemical Lime plants are located at the Black Mountain Industrial Center, southwest of the 2,200 acres. They are separate companies from BMI and LandWell.

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5. Who will lead the project and keep the public informed from the early planning stages -- which includes the clean-up effort -- to the eventual construction of the master planned community?

A world-class team is assembled and includes a diversity of experts charged with the task of coordinating, developing and completing various aspects of this exciting project. The team includes land use planners, engineers, wildlife biologists, geologists, hydrologists, chemists and others.

Basic Remediation will lead the clean up efforts and is facilitating a public outreach program that includes periodic newsletters, meetings open to public participation and a website located at www.landwellco.com which contains a document repository for all important agreements and plans related to the cleanup as well as information on the restoration as it progresses.

The LandWell Company will develop the site once it is restored and will keep the public informed through various sources including a website.

Restoration

1. Why is remediation necessary?

This site was once part of a larger complex, known as Basic Magnesium, which played a vital role in support of the U.S. victory in World War II. After the war ended, the complex was sold to the State of Nevada. Later, several manufacturing companies bought component parts of the huge Basic Magnesium plant. Although the 2,200 acres east of Boulder Highway being restored in this project were never used by the federal government or private companies for any industrial manufacturing, parts of the property have been used in the past for industrial and municipal evaporation ponds, leaving behind residual contaminants. These ponds which require remediation make up approximately 400 of the 2,200 acres of the property. Nearly two-thirds of the property has never had any industrial or municipal use.

It is worth noting that none of the property for this project has ever been declared a Superfund site. A Superfund site is any land in the United States that has been contaminated by hazardous waste and identified by the U.S. Environmental Protection Agency (EPA) as a candidate for Superfund listing because it poses a significant risk to human health and/or the environment. In fact, years ago, this property was specifically found by the EPA **NOT** to be a Superfund site.

2. What's out there?

BMI has been in business in the same location for 57 years and knows what is on its property. Because of the property's location, it has been the subject of intensive investigation for more than 19 years. More than 600,000 laboratory analyses on thousands of samples of soil and groundwater have been performed. These samples were analyzed for more than 500 compounds, hundreds of compounds more than what was ever manufactured anywhere in the area. All of this work is being overseen by the Nevada Division of Environmental Protection (NDEP).

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The majority of the contaminants that BRC will remove are some form of salt. However, in places, the levels of contaminants exceed allowable thresholds as defined by the EPA and therefore need to be remediated. Although the contaminants are primarily present in 1 foot to 5 foot depths, all contaminated soils will be physically removed from the site, not left in place and capped.

3. Who will be performing the remediation?

Basic Remediation Company (BRC) has been leading the remediation effort with a team of experts and will continue in this role until the restoration is complete. BRC will carry out the plans agreed upon and approved by the NDEP, which has oversight during the entire remediation process.

BRC has hired Weston Solutions, Inc. to be the project's construction manager and assist with oversight.

BRC has selected ENTACT as the project remediation contractor. ENTACT is responsible for building a state-of-the-art 66-acre Corrective Action Management Unit (CAMU), where contaminated soil from the 2,200-acre site will be safely interred. ENTACT performed the remediation work under the close supervision of BRC and Weston Solutions.

BRC and the NDEP, along with the City of Henderson, will work together to ensure the property is remediated to the standards that allow for residential development.

BRC's project manager is Dr. Ranajit (Ron) Sahu, Ph.D. Dr. Sahu received his doctorate from the California Institute of Technology (Caltech) and has more than 22 years of experience in the fields of environmental, mechanical and chemical engineering and has successfully executed more than 300 projects during his career. He has expertise in managing large remediation projects in more than 40 states, numerous local jurisdictions and internationally, as well. He has comprehensive compliance experience encompassing all environmental study areas including air, water, solid and hazardous waste, mixed waste, noise and community involvement programs. Dr. Sahu is a Certified Environmental Manager (CEM) in the State of Nevada; a quality environmental planner as defined by the Institute of Professional Environmental Practice (IPEP), has authored numerous publications in the field of environmental engineering, and holds positions as adjunct professor at UCLA and Loyola Marymount University.

4. How long will this restoration process take and what's involved in the remediation process?

For any site this large, the remediation process is complex and involves a substantial amount of time and effort to complete. Most of the time required was spent in investigation, and this phase, which has been on-going since 1991, is now complete. It's been a very thorough process and no effort has been spared. The engineering design of the remediation is complete, after being intensively reviewed and approved by the NDEP. BRC expects to accomplish the actual physical remediation and restoration activities within 24 months. Physical remediation began in the summer of 2008. BRC will use a thorough and iterative process that involves multiple rounds of remediation as needed until the entire property meets the standards for residential development.

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The remediation team will be using the U.S. EPA's methodologies and processes, and the property will be remediated to the standards fully consistent with EPA's methodology. The NDEP has oversight for the project and has been working closely with the BRC remediation team since 1991 to ensure full compliance with all applicable environmental practices, regulations and procedures.

Throughout the entire restoration and development process, The LandWell Company will continue to ensure an open dialog with the community and other project stakeholders. The most complete and current information can be found at www.LandWellco.com.

5. Have you ever redeveloped a site like this before, and has this ever been done in Southern Nevada? How about nationally? In other words, how common is this sort of thing?

BRC has successfully redeveloped property like this before in Southern Nevada, although not on this scale. Nationally, there are a number of Brownfield redevelopment projects that have been successfully completed.

While this is the largest restoration project of its kind in Nevada history, it is only one of a growing number of large, successful Brownfield projects across America. Other successful projects include Atlantic Station in Atlanta, Georgia; Alameda Point, Tustin Legacy, Rivermark and Hamilton Army Field in California; and Stapleton in Colorado.

6. What is The LandWell Company's role in the restoration process?

LandWell provides the essential liaison and coordination between BRC, the NDEP, the City of Henderson and Clark County. Following restoration of the property and after receiving a release for development by the NDEP, each individual home site will be retested prior to home construction. Basic Remediation Company (BRC), a subsidiary of Basic Management, Inc., will continue to lead the team that will perform the remediation work.

7. How much will it cost?

BMI alone has already invested more than \$60 million in the remediation effort. We estimate total remediation and restoration costs to be in the neighborhood of \$120 to \$130 million.

8. Is any public money going to be spent on this remediation?

Not a penny of taxpayer money has been spent thus far on the remediation, and not a penny will be spent. The remediation cost is being paid for by BMI and other responsible parties.

9. I hear industrial waste sites are capped and then someone just puts a golf course on top. Will that happen here? Isn't that cheaper?

In some cases it may be cheaper, and no it won't happen here. All contaminated soils will be physically removed from the site.

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10. How are you keeping the public informed?

A comprehensive community involvement and outreach plan has been developed to keep the public informed about the projects development. Newsletters are periodically sent to nearby neighbors updating them on the status of the remediation project. More than 73,000 homes have received newsletters. The LandWell Restoration Project Information Center has been constructed on the project site for a self directed tour regarding transformation of the vacant site to a landmark community. A website dedicated to informing the public about the details of this project is located at www.landwellco.com . There is also a restoration advisory committee that meets quarterly to which the public is welcome to participate.

Development

1. How does The LandWell Company relate to the development of this property?

Henderson-based LandWell Company will oversee the development of its 2,200-acre parcel of land located in Henderson, east of Boulder Highway. Other members of the development community will be involved.

2. How many homes will be built here and how many people will live here eventually?

A beautiful master-planned community with open spaces, parks, schools, and areas for commercial development is planned here. Approximately 14,000 homes will be here, along with shops, schools, and nearly 500 acres of parks, trails and open spaces.

3. At 2,200 acres, will this be one of the larger residential developments in the area?

This will be one of the largest mixed-use master planned communities in Southern Nevada. According to the 2007 Las Vegas Perspective, Summerlin has 22,500 acres; Mountain's Edge has 3,000 acres; Anthem has 2,525 acres; and Inspirada has 2,000 acres.

4. When would construction start, and when could the first people move in to homes on this site?

Within 36-48 months of the start of remediation, residential development is expected to commence. It is anticipated residents will move into their new homes in 2010.

5. What is the name of this development?

Cadence - "the rhythm of a new day."

6. Are you planning to build affordable housing here? What would be the price range of the homes you're planning to build?

It's too early to determine the price range of homes on this property. Market conditions will be considered when establishing housing prices.

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7. Will the mixed-use development have parks and open space, schools, retail development?

The LandWell Company will restore the desert and improve the area's environment, which will pave the way for neighborhood homes, schools, business parks, a town center and even wildlife preserves - all connected by parks and trails for the future residents of this landmark master-planned community. More than 160 acres of land have been designated for recreational purposes in the 2,200-acre mixed-use master-planned community. Preliminary plans include a host of little league, softball, soccer and multi-purpose fields. Also planned are football fields, walking trails, parks and an abundance of open space.

8. What kinds of homes will be built on the property?

The effort to determine the types of homes to be developed on the property will be led by participating homebuilders. Architectural standards were developed in close cooperation with the City of Henderson, which sees this project as a unique opportunity to create a beautiful urban and suburban landscape. There will be approximately 14,000 homes ranging from single-family homes to apartments, condominiums and patio homes, providing a broad range of housing options and price ranges for the community.

9. Will the 2,200 acres be annexed into the City of Henderson?

The annexation process was completed at a public meeting held on January 23, 2006. The entire 2,200 acres now reside within the City of Henderson.

10. Does this project fall within the City of Henderson's Redevelopment District?

The land meets the criteria of a redevelopment area and is included in the City of Henderson's Redevelopment District. The LandWell Company is working closely with the city to ensure the 2,200-acre project is aligned with the city's overall redevelopment objectives. The property taxes that will eventually be generated from this project will benefit not only the residents living within the 2,200 acres, but will bring new growth and renewal and investment to the entire area, with benefits for everyone to enjoy.

11. What role will LandWell play as homes are built on this site?

Through its affiliate, BRC, LandWell will continue to oversee the remediation work and will coordinate activities with all regulatory and governmental agencies to ensure they meet the strictest standards for residential development. Participating homebuilders will focus their efforts on the future development of the property, but will be working closely with LandWell during the remediation process.

12. What measures are being taken to address environmental concerns?

The LandWell Company is committed to ensuring the entire property meets the most stringent environmental standards, as set by the United States EPA and the Nevada Division of Environmental Protection.

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13. What government oversight is involved in restoring and developing this property?

The governmental agency with primary oversight responsibility and authority for the remediation project is the Division of Environmental Protection of the Nevada Department of Conservation and Natural Resources (NDEP). The United States Environmental Protection Agency is also involved as an observer. The City of Henderson has primary responsibility and authority for approval of the master-planned development. Clark County and several other agencies of the State of Nevada are also involved in various aspects of the project.

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