

**SUMMARY OF EFFORTS BY WESTERN NUCLEAR, INC.  
TO ACQUIRE OFFSITE PROPERTIES IN THE RED MULE SUBDIVISION**

In a submittal dated February 10, 2005, Western Nuclear, Inc. (WNI) provided documentation of its good-faith efforts to acquire the offsite properties in the Red Mule Acres Subdivision in Jeffrey City, WY. This documentation included:

- A summary of the acquisition costs of the parcels;
- Individual appraisals of the parcels by a Wyoming General Certified Appraiser;
- A subdivision plat map for Red Mule Acres and a map of the adjoining properties;
- A printout from the county assessor's office of the market value for Lot 1;
- Correspondence from the legal counsel for the owners of Lot 1 setting forth the owners' demands for sale of Lot 1 to WNI;
- Correspondence from representatives of WNI setting forth alternative offers from WNI; and
- Copies of the deeds for the 11 acquired properties, together with contracts and/or title policies and/or closing statements setting forth the acquisition costs.

A summary of the acquisition costs is provided in the table on the next page.

Table 1 - Acquisition Costs

Lot/Parcel Number	Appraised Value/ Acquisition Cost	Transaction Date	Lot/Parcel Number	Acquisition Cost	Transaction Date
1	\$37,000 N/A	N/A	8 (Part)	\$3,250/ \$23,500	9-13-04
2	\$40,000/ \$135,000	8-31-04	8 (Part)	\$1,200/ \$18,000	12-13-04
3	\$2,300/ \$2,750	10-17-03	032	\$32,500/ \$87,775 + 79 acres	4-30-04
4	\$25,000/ \$10,000	6-18-04	028	\$22,000 Exchange for Lot 13	2-26-04
5	\$20,000/ \$21,000	10-25-02	027	\$30,000/ \$29,900	10-26-00
6	\$32,500/ \$46,000	12-18-02	012	\$25,000 \$40,000	12-15-03
7	\$2,300/ \$22,500	12-27-04			

## Notes:

1. Lots 1 - 8 are located in the Red Mule Acres Subdivision. Parcels 012, 027, 028, and 032 are located immediately east of the subdivision.
2. Lots 1 - 8 are of similar size ranging from 4.3 acres to 5.4 acres. Lot 1 is 4.7 acres.

WNI provided more detail for the transactions involving Lots 2, 4, and 6 because they were owner-occupied parcels and closest in value to the value of Lot 1. Lot 2 was acquired for \$135,000 and the former owners were allowed to retain and move any improvements. The owners of Lot 1 were offered \$175,000 for a similar arrangement. In addition, the owners of Lot 1 would receive a 20 acre parcel overlooking a river.

The property of Lot 4 became run-down, as it was unoccupied since 1999. The property was appraised in October 9, 2001. The property was acquired by WNI in 2004 for \$10,000 from the conservator of the associated estate after court approval.

Lot 6 was acquired for \$46,000. In comparison, WNI offered the owners of Lot 1 \$195,000 for an outright purchase.

Parcel 032 (40 acres), located immediately east of Red Mule Acres, had a new and much larger home built on the property between the date of the appraisal and the date of WNI's acquisition. The original home had been destroyed by fire in 2002. The property also included a new machine and welding shop. Thus, the property was more valuable in 2004 than in 2001. WNI acquired the property by granting the sellers 79 acres in exchange for the 40 acres and a cash payment of \$87,775.

In a letter dated November 24, 2004, WNI made final proposals to the owners of Lot 1 after several months of negotiations. The owners were offered four distinct proposals:

1. Outright purchase for a cash payment of \$195,000.
2. Purchase of the property by WNI for \$66,000, with the sellers retaining a non-alienable life estate. The sellers would pay the taxes on the property during the life estate, with a reversionary interest to WNI if taxes were unpaid for a period of two years. The sellers could remove any and all property, including the home, at any time during the life estate.
3. WNI would trade 20 acres for the 4.7 acres comprising Lot 1, in addition to a cash payment of \$175,000. The sellers could move any or all improvements.
4. WNI would acquire all the subsurface (from six feet down) underlying Lot 1 for \$50,000. The owners would agree to abandon the present well and never drill nor allow the installation of a future well. WNI would, at its cost and expense, provide a well and a pipe for domestic water to Lot 1 from a location to the east of Lot 1, which is located outside the proposed long-term care area and where the water quality is at background. WNI would provide an easement to the owners for the pipeline and well.

The owners' response to the above-listed proposals was a proposal for a \$600,000 compensation package, which would result in the construction of a new home overlooking a river. In a letter to the legal counsel for the owners dated February 3, 2005, WNI concluded negotiations with the owners without reaching an agreement.