

PETER G. MORROS, Director

L.H. DODGION, *Administrator*

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Administration

Mining Regulation and Reclamation

Water Pollution Control

Facsimile 687-5856

STATE OF NEVADA

BOB MILLER

Governor



JUN 25 1998

Waste Management
Corrective Actions
Federal Facilities

Air Quality
Water Quality Planning
Facsimile 687-6396

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION

333 W. Nye Lane, Room 138
Carson City, Nevada 89706-0851

June 19, 1998

Mr. Dan H. Stewart
President and Chief Executive Officer
Basic Management, Inc.
PO Box 2065
Henderson, Nevada 89015

Re: 4th St. / Ave. L (Cell Tops)

Dear Mr. Stewart:

The Nevada Division of Environmental Protection (NDEP) has completed its review of Basic Management, Inc.'s (BMI) request for a no further action determination and a written assurance regarding future liability for the area described as 4th St. / Ave. L (the "Property") within the BMI Industrial Complex in Henderson and Clark County, Nevada. The Property is more fully described in the attached legal description, which is incorporated by this reference.

Our review has included available information regarding environmental conditions on the Property, including the Phase I Environmental Conditions Assessment for the Basic Management, Inc. Industrial Complex, Clark County, Nevada (Geraghty & Miller, Inc., April 1993), and remediation of the site as detailed in the final report entitled Abatement of Asbestos-Containing Cell Tops, 4th Street Property, Henderson, Nevada (ERM-West, Inc., January, 1998). These reports adequately describe and characterize environmental conditions on the Property.

Based on our review of this information, we have concluded that no further actions are required or necessary with respect to the Property to protect human health or the environment. The final abatement report referenced above also fulfills the environmental assessment requirements of the NDEP's letter to BMI dated March 8, 1994. NDEP hereby excludes the Property from any further environmental assessment or other response action, and agrees that development may proceed on the Property without environmental restriction based on known present conditions. The NDEP fully releases and discharges the Property from any and all terms, requirements and obligations of those certain Consent Agreements which were entered into by the NDEP with respect to the BMI industrial Complex, dated April 25, 1991¹, and February 23, 1996².

¹ The other parties are Chemstar, Inc., Kerr-McGee Chemical Corporation, Montrose Chemical Corporation of California, Inc., Pioneer Chlor Alkali Company, Inc., Stauffer Management Company, Inc., and Titanium Metals Corporation.

² The other parties are Kerr-McGee Chemical Corporation, Montrose Chemical Corporation of California, Inc., Pioneer Chlor Alkali Company, Inc., Stauffer Management Company, and Titanium Metals Corporation.

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In consideration of the fulfillment of NDEP's environmental assessment and no further action requirements, the State of Nevada, Department of Conservation and Natural Resources, Division of Environmental Protection ("Division") hereby releases, discharges and covenants not to seek to hold any purchaser, tenant, lender or other third party which acquires an interest in the Property, or any of their officers, directors, partners, employees, agents, successors, affiliates or assigns, (collectively "Parties") liable as owners, operators or in any other manner, in law or in equity, under any statute, regulation or any federal, state or common law, for contamination known to exist at, on, in or below the Property and described in the final ECR Report. The Division reserves, and the foregoing sentence is without prejudice to, all of its authorities with respect to the discovery of contaminated conditions at, on, in or below the Property that are not described in the final ECR Report, and the receipt by the Division of information, previously unknown to the Division, in the event that either such conditions or information indicate an actual or potential threat to human health or the environment. The Division acknowledges that BMI and Parties may rely on the covenants in this paragraph in connection with the purchase, sale and development of the Property, and consents to such reliance. The Division consents to the recordation of these covenants or a recordable notation of them in the Clark County Recorder's Office.

The undersigned certifies that he is authorized by the Director, Department of Conservation and Natural resources, to sign this letter.

Sincerely,



L. H. Dodgion
Administrator

LHD:kmf

cc: R. Kelso, NDEP
Mr. Gregory W. Schlink, Basic Management, Inc., P.O. Box 2065,
Henderson, Nevada 89015
Mr. David W. Tunderman, Esq., Parsons Behle & Latimer, P.O. Box 45898, Salt Lake City,
Utah 84145-0898
Mr. Barry Conaty, Esq., Cutler & Stanfield, 700 Fourteenth Street, N.W., Washington, D.C.
20005
Mr. Philip Speight, City Manager, 240 Water Street, Henderson, NV 89015

Exhibit A

**EXPLANATION: THIS LEGAL DESCRIBES THE 4TH ST. / AVE. L PROPERTY OF
BASIC MANAGEMENT, INC.**

LEGAL DESCRIPTION

**ALL OF THE LOT AS DELINEATED ON THAT CERTAIN PARCEL MAP ON FILE IN FILE
90, PAGE 32 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE OF
SECTION 13, TOWNSHIP 22 SOUTH, RANGE 62 EAST, M.D.M., CLARK COUNTY,
NEVADA.**