

STATE OF NEVADA

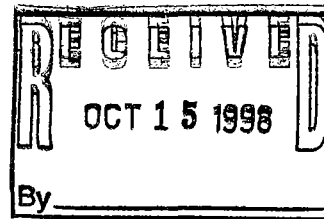
BOB MILLER
Governor

PETER G. MORROS, Director

L.H. DODGION, Administrator

(702) 687-4670
TDD 687-4678Administration
Mining Regulation and Reclamation
Water Pollution Control

Facsimile 687-5856

Waste Management
Corrective Actions
Federal FacilitiesAir Quality
Water Quality Planning
Facsimile 687-6396DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION333 W. Nye Lane, Room 138
Carson City, Nevada 89706-0851
October 6, 1998Mr. Dan H. Stewart
President and Chief Executive Officer
Basic Management, Inc.
PO Box 2065
Henderson, Nevada 89015

Re: Pabco / Warm Springs

Dear Mr. Stewart:

The Nevada Division of Environmental Protection (NDEP) has completed its review of Basic Management, Inc.'s (BMI) request, dated September 28, 1998, for a no further action determination and a written assurance regarding future liability for a portion of the area previously described as the Warm Springs and Pabco Road rights-of-way (the "Property") within the BMI Industrial Complex in Henderson and Clark County, Nevada. The Property is more fully described in the legal description attached to your request, 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), the Draft Environmental Conditions Investigation Report, BMI Common Areas, Henderson, Nevada, prepared for Henderson Industrial Site Steering Committee (ERM-West, Inc., August 30, 1996), the Warm Springs / Pabco Road Right-of-Way Characterization Activities Report (ERM-West, Inc., May 28, 1998), the Leachate Testing Results Warm Springs / Pabco Road Right-of-Way Report (ERM-West, Inc., September 25, 1998, and the Focused Risk Assessment For The Warm Springs / Pabco Road Extension (Newfields, Inc., August 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. NDEP hereby excludes the Property from any further environmental assessment or other response action, and agrees that road construction 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 respecting 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.

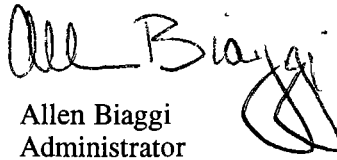
² The other parties are Kerr-McGee Chemical Corporation, Montrose Chemical Corporation of California, Inc., Pioneer Chlor Alkali Company, Inc., Stauffer Management Company, and Titanium Metals Corporation.

Mr. Dan H. Stewart
President and Chief Executive Officer
Basic Management, Inc.
October 6, 1998
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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,


Allen Biaggi
Administrator

RCK:AJB/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



**BASIC
MANAGEMENT,
INC.**

P.O. Box 2065

Henderson, Nevada 89011

702-565-6485

Fax 702-565-9489

File # BMI/10005(2)/R1

September 28, 1998

Mr. Robert C. Kelso, P.E.
Supervisor, Remediation Branch
Bureau of Corrective Actions
Nevada Division of Environmental Protection
333 West Nye Lane
Carson City, Nevada 89706-0866

RE: Pabco / Warm Springs

Dear Bob:

Basic Management, Inc. ("BMI") hereby requests a no further action determination and a written assurance regarding future liability for a portion of the area previously described as the Warm Springs and Pabco Road rights-of-way (the "Property") within the BMI Industrial Complex in Henderson and Clark County, Nevada. The Property is more fully described in the legal description, which is attached as Exhibit A and incorporated by this reference. BMI also requests a release of the Property from the terms, requirements and obligations of the Consent Agreements entered into by the NDEP respecting the BMI Industrial Complex, dated April 25, 1991 and February 23, 1996.

BMI's request is based on several environmental assessments of the Property, including the Phase I Environmental Conditions Assessment for the Basic Management, Inc. Industrial Complex, Clark County, Nevada (Geraghty & Miller, Inc., April 1993), the Warm Springs / Pabco Road Right-of-Way Characterization Activities Report (ERM-West, Inc., May 28, 1998), the Draft Environmental Conditions Investigation Report, BMI Common Areas, Henderson, Nevada, prepared for Henderson Industrial Site Steering Committee (ERM-West, Inc., August 30, 1996), the enclosed Leachate Testing Results Warm Springs / Pabco Road Right-of-Way Report (ERM-West, Inc., September 25, 1998) and the enclosed Focused Risk Assessment For The Warm Springs / Pabco Road Extension (Newfields, Inc., August 1998).

Also enclosed is a map titled Current Pabco Road Alignment prepared by Pentacore Engineering and dated May 15, 1998. The "Limits of Exclusion Area Request" indicated on the map depicts this requested exclusion area.

BMI believes these reports and map adequately describe and characterize environmental conditions on the Property and fulfill the environmental assessment requirements of the NDEP's letter to Basic Management, Inc. dated March 8, 1994. That letter states, "if the [environmental] assessment for a particular parcel indicates no public health or environmental problems are present, the Division will issue a letter indicating development may proceed on the property". BMI desires to develop the

Mr. Robert C. Kelso, P.E.
September 23, 1998
Page Two

Property, and requests a letter stating that no further actions are necessary with respect to the Property, certifying that development may proceed without environmental restriction and assuring third parties that the NDEP will not seek to hold them liable for any environmental conditions on the Property. We respectfully request the letter be in the same form as the one previously issued by NDEP for exclusion areas 4A and 4B.

Thank you for your consideration and assistance.

Sincerely,

BASIC MANAGEMENT, INC.

A handwritten signature in black ink, appearing to read "Dan H. Stewart", is written over the printed name.

Dan H. Stewart
President and Chief Executive Officer

DHS:GWS:sb

cc: Gregory W. Schlink, w/ encl.
David Tundermann, w/ encl.
John Rinaldi, w/ encl.



PENTACORE

Exhibit A

0138.0700
FILE NAME: ROAD-DED.DOC
JUNE 11, 1998
BY: P.D.
CKD: C.L.M.
PAGE 1 OF 3

Civil Engineering
Land Surveying
Global Positioning
Land Planning • GIS
Construction
Administration
ADA Consulting
Landscape
Architecture
Measurement
Technologies
Water Ventures
International



EXPLANATION

THIS LAND DESCRIPTION DESCRIBES A PARCEL OF LAND GENERALLY LOCATED EASTERLY OF U.S. HIGHWAY 93 - BOULDER HIGHWAY AND NORTH OF LAKE MEAD DRIVE FOR PUBLIC RIGHT-OF-WAY DEDICATION PURPOSES.

LAND DESCRIPTION

A PORTION OF THE WEST HALF (W 1/2) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 7, TOWNSHIP 22 SOUTH, RANGE 63 EAST, MOUNT DIABLO MERIDIAN, CITY OF HENDERSON, CLARK COUNTY, NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER (NW 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SAID SECTION 7, MARKED BY A BRASS CAP STAMPED "PLS 4541"; THENCE NORTH 00°12'57" EAST ALONG THE WEST LINE OF SAID SECTION 7, A DISTANCE OF 400.27 FEET TO THE **POINT OF BEGINNING**;

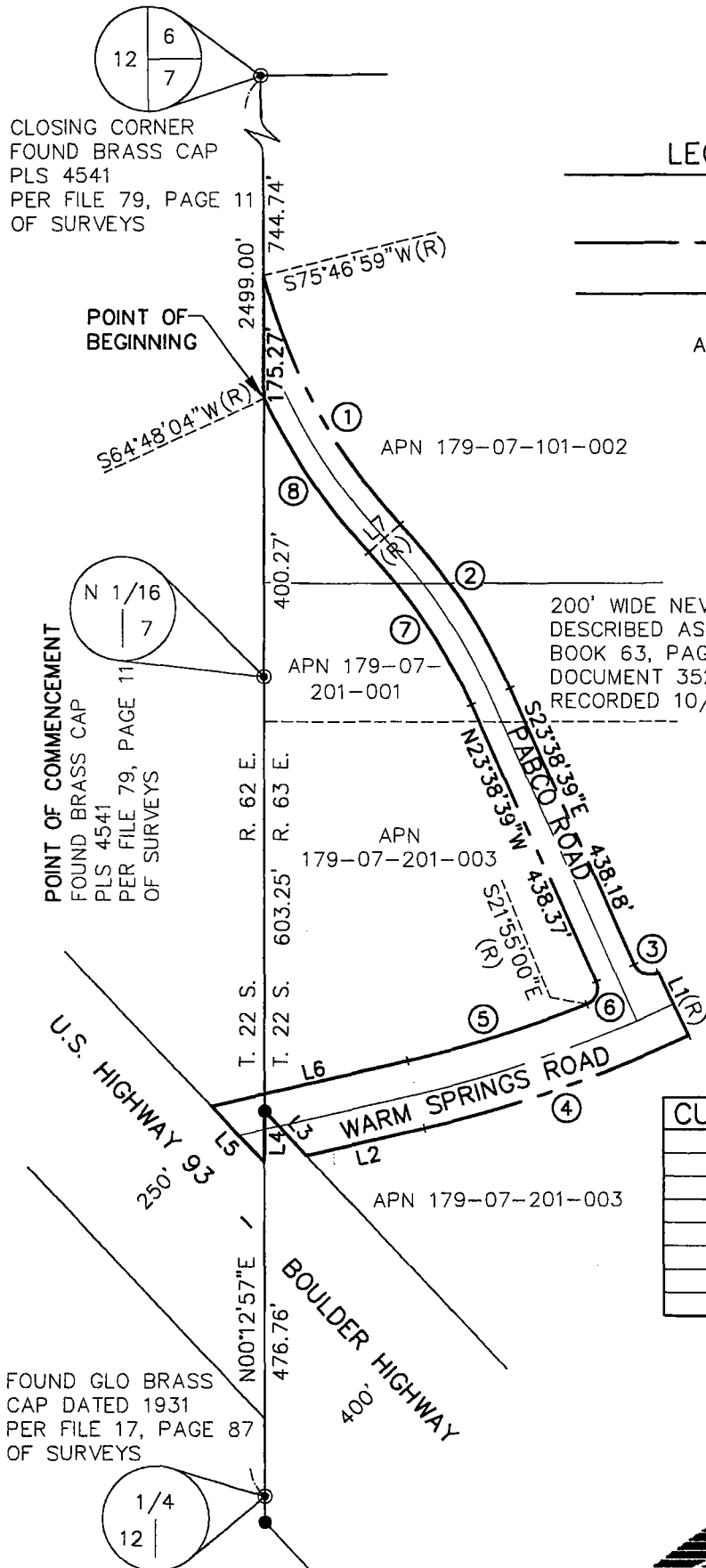
THENCE CONTINUING NORTH 00°12'57" EAST ALONG SAID WEST LINE, 175.27 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 831.00 FEET, A RADIAL LINE TO SAID BEGINNING BEARS SOUTH 75°46'59" WEST; THENCE SOUTHEASTERLY 407.69 FEET DEPARTING SAID WEST LINE AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 28°06'34" TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 869.00 FEET, A RADIAL LINE TO SAID BEGINNING BEARS NORTH 47°40'25" EAST; THENCE SOUTHEASTERLY 283.35 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 18°40'56"; THENCE SOUTH 23°38'39" EAST, 438.18 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHEASTERLY 40.11 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 91°55'37"; THENCE SOUTH 25°34'16" EAST ALONG A RADIAL LINE, 100.00 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1850.00 FEET; THENCE SOUTHWESTERLY 399.41 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12°22'12"; THENCE SOUTH 76°47'56" WEST, 171.59 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY 93 - BOULDER HIGHWAY (WIDTH VARIES); THENCE NORTH 42°44'58" WEST ALONG SAID EASTERLY RIGHT-OF-WAY, 86.61 FEET TO THE WEST LINE OF SAID SECTION 7; THENCE SOUTH 00°12'57" WEST ALONG SAID EASTERLY RIGHT-OF-WAY LINE AND SAID WEST LINE, 73.36 FEET; THENCE NORTH 42°44'58" WEST DEPARTING SAID WEST LINE AND ALONG SAID EASTERLY RIGHT-OF-WAY LINE, 110.37 FEET; THENCE NORTH 76°47'56" EAST DEPARTING SAID EASTERLY RIGHT-OF-WAY LINE, 285.76 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY,

6763 West Charleston Boulevard • Las Vegas, Nevada 89102

ENGINEERING
Tel. 702.258.0115 • Fax 258.4956

SURVEYING
Tel. 702.258.4110 • Fax 258.4790

ADA CONSULTING
Tel. 702.258.0115 • Fax 258.8528



LINE	BEARING	DISTANCE
L1	S25°34'16"E	100.00'
L2	S76°47'56"W	171.59'
L3	N42°44'58"W	86.61'
L4	S00°12'57"W	73.36'
L5	N42°44'58"W	110.37'
L6	N76°47'56"E	285.76'
L7	N47°40'25"E	60.00'

CURVE	DELTA	RADIUS	LENGTH	TANGENT
1	28°06'34"	831.00'	407.69'	208.04'
2	18°40'56"	869.00'	283.35'	142.95'
3	91°55'37"	25.00'	40.11'	25.86'
4	12°22'12"	1850.00'	399.41'	200.48'
5	08°42'56"	1750.00'	266.20'	133.36'
6	91°43'39"	25.00'	40.02'	25.77'
7	18°40'56"	809.00'	263.79'	133.08'
8	17°07'40"	891.00'	266.35'	134.18'

EXHIBIT TO ACCOMPANY LAND DESCRIPTION

PENTACORE

CIVIL ENGINEERING • LAND SURVEYING • PLANNING
CONSTRUCTION MANAGEMENT • ADA CONSULTING
6763 WEST CHARLESTON BOULEVARD
LAS VEGAS, NEVADA 89102 (702)258-0115

HAVING A RADIUS OF 1750.00 FEET; THENCE NORTHEASTERLY 266.20 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $08^{\circ}42'56''$ TO THE BEGINNING OF A COMPOUND CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, A RADIAL LINE TO SAID BEGINNING BEARS SOUTH $21^{\circ}55'00''$ EAST; THENCE NORTHEASTERLY 40.02 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $91^{\circ}43'39''$; THENCE NORTH $23^{\circ}38'39''$ WEST, 438.37 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 809.00 FEET; THENCE NORTHWESTERLY 263.79 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $18^{\circ}40'56''$ TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 891.00 FEET, A RADIAL LINE TO SAID BEGINNING BEARS SOUTH $47^{\circ}40'25''$ WEST; THENCE NORTHWESTERLY 266.35 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $17^{\circ}07'40''$ TO THE **POINT OF BEGINNING** AS SHOWN ON THE EXHIBIT TO ACCOMPANY LAND DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 2.90 ACRES, AS DETERMINED BY COMPUTER METHODS.

BASIS OF BEARINGS

NORTH $00^{\circ}12'57''$ EAST, BEING THE BEARING OF THE WEST LINE OF THE NORTHWEST QUARTER (NW 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 7, TOWNSHIP 22 SOUTH, RANGE 63 EAST, MOUNT DIABLO MERIDIAN, CITY OF HENDERSON, CLARK COUNTY, NEVADA, AS SHOWN ON A MAP ON FILE IN THE CLARK COUNTY RECORDER'S OFFICE IN FILE 79 OF SURVEYS, AT PAGE 11.

END OF DESCRIPTION.