

QUARTERLY PROGRESS REPORT

AS REQUIRED BY

**SETTLEMENT AGREEMENT AND
ADMINISTRATIVE ORDER ON CONSENT
(AOC3)**

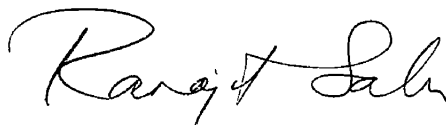
SECTION XIII, PARAGRAPHS 1 and 2.

SUBMITTED BY

BASIC REMEDIATION COMPANY

DATED APRIL 15, 2013

I hereby certify that I am responsible for the services described in this document and for the preparation of this document. The services described in this document have been provided in a manner consistent with the current standards of the profession and to the best of my knowledge comply with all applicable federal, state and local statutes, regulations and ordinances. I hereby certify that all laboratory analytical data was generated by a laboratory certified by the NDEP for each constituent and media presented herein.



4/15/13

Dr. Ranajit Sahu, C.E.M. (No. EM-1699, Exp. 10/07/2013)Date
BRC Project Manager

1. Introduction

This Quarterly Progress Report is being submitted to the Nevada Division of Environmental Protection (NDEP) pursuant to the requirements of Paragraphs 1 and 2 of Section XIII of the AOC3 executed between the Parties and NDEP on February 15, 2006. The format of this report is based on the requirements stated in Paragraph 1 of Section XIII. This report covers activities between January 1 and March 31, 2013.

2. Actions Taken Towards Achieving Compliance

In addition to the various documents submitted to the NDEP discussed below, BRC and NDEP held meetings and telephone calls in order to achieve progress on project activities. Telephone meetings were held between the BRC management, the BRC Project Manager and the NDEP Project Manager (occasionally along with representatives from the City of Henderson as well as consultants representing the prospective property buyer) roughly every two weeks. Minutes of these meetings are maintained separately.

The CAMU (Phase V only) remains open in order to accept wastes as needed and will remain open till remediation activities cease or diminish. Wastes from various “polygon” scrapes from the Eastside were placed into Phase V during this period. BRC also implemented various maintenance tasks at the CAMU, conducted repairs to rectify storm damage to portions of the CAMU storm channel during this period, and conducted sampling of the various CAMU sumps, as needed.

BRC and the NDEP continued and concluded discussions on the long-term CAMU groundwater monitoring work plan, with NDEP approving the final workplan. It was agreed that the purpose of this long-term monitoring would be to facilitate, to the extent feasible, the detection of leaks from the CAMU. The purpose is not for further characterization of groundwater in this area.

During this period, BRC also submitted an application to the NDEP for renewal of the CAMU RAP. The renewal application is under review and comments have been received from the NDEP. BRC is in the process of addressing the comments via a resubmittal of the RAP application.

Additionally, BRC: (a) obtained the NFA for the Galleria ROW; (b) submitted the HRA for the Phase I sub-area, addressed NDEP comments, and obtained the NFA for the Phase I sub-area; (c) submitted the HRA for the Southern RIBs sub-area and addressed NDEP comments; (d) prepared an addendum Technical Memorandum for the Galleria ROW in order to add two small pieces to the ROW’s NFA; (e) initiated preparation of the HRA for the Sunset North sub-area; (f) initiated preparation of the HRA for the North of Galleria ROW (NoROW) sub-area; (g) continued clean soils placement activities in the Hook/Open Space sub-areas; (h) continued cleanup activities (iterative confirmation sampling/scraping) in the Eastside Main sub-area, including the Triangle area near Pabco Rd/Warm Springs Rd/Jokers Wild casino; and (i) continued discussions with the NDEP

and preparation of a Technical Memorandum relating to groundwater upgradient issues focused on arsenic as an example.

Results of previous confirmation sampling were received and analyzed and appropriate data validation activities also occurred.

3. Sampling Conducted

BRC collected various samples in support of the remediation effort including confirmation and re-confirmation soil samples as noted above in targeted portions of the Eastside Main/Triangle area. In addition samples were collected and analyzed from materials eroded onto the detention basins at the CAMU, after rain/storm events.

4. Work Plans and Other Deliverables Submitted Including Modifications

Attachment A shows a list of all documents that were submitted to NDEP in this period. Attachment B shows a list of all NDEP documents received during this period.

5. Actions Scheduled for Next Quarter

Activities planned include: continue placing clean fill on portions of the Hook/Open Space sub-area; obtaining the updated NFA for the Galleria ROW, including the addendum areas; obtaining the NFA for the Southern RIBs sub-area; submitting the final HRA and obtaining the NFA for the Sunset Industrial sub-area; submitting the final HRA and obtaining the NFA for the NoROW sub-area; concluding scraping and iterative confirmation sampling of the targeted polygons in the Eastside Main (exclusive of the Triangle area); completing the assessment of the Triangle area; submitting the final application for the renewal of the CAMU RAP; and restarting discussions with the NDEP regarding various groundwater issues for the Eastside, including finalization of the upgradient Tech Memo focused on arsenic.

The following Work Plans and Other Deliverables are planned to be submitted to the NDEP in the next period:

- (i) Revised Project Schedule (updated as needed).
- (ii) Various Data Validation Summary Reports, as needed.
- (iii) Various documents discussed above.

Additional documents may also be submitted depending on project progress.

6. Completions, Delays and Mitigations

While the remediation effort is not on schedule, BRC and the NDEP continue to have discussions and to make progress in streamlining various project submittals and approvals.

7. Planned Modifications to Remedial Actions

None planned.

8. Community Relations Plan Actions Taken

None.

9. Community Relations Plan Actions for Next Quarter

The project website is updated periodically, as needed, to include documents submitted to the NDEP.

Appendix A - Documents Submitted To NDEP

TO	FROM	DATE	SUBJECT
Greg Lovato	ERM on behalf of Lee Farris & Ron Sahu	1/9/2013	Human Health Risk Assessment and Closure Report for the Phase 1 Development Sub-Area, Revision 1
Greg Lovato	ERM on behalf of Lee Farris & Ron Sahu	1/23/2013	Replacement Pages for Human Health Risk Assessment and Closure Report for the Galleria Dr. Right-of-Way
Greg Lovato	Geosyntec on behalf of Ron Sahu	2/1/2013	Weekly Status Memo 125
Greg Lovato	Geosyntec on behalf of Ron Sahu	2/8/2013	Weekly Status Memo 126
Greg Lovato	Geosyntec on behalf of Ron Sahu	2/18/2013	Weekly Status Memo 127
Greg Lovato	Geosyntec on behalf of Ron Sahu	2/22/2013	Weekly Status Memo 128
Greg Lovato	Lee Farris, Ranajit Sahu	2/28/2013	Replacement Pages for Human Health Risk Assessment and Closure Report for the Phase 1 Development Sub-Area
Greg Lovato	ERM on behalf of Lee Farris & Ron Sahu	3/20/2013	Replacement pages for Human Health Risk Assessment and Closure Report for the Phase 1 Development Sub-Area, Revision 1
Greg Lovato	Lee Farris	3/25/2013	BEC Environmental Covenant
Greg Lovato	ERM on behalf of Lee Farris & Ron Sahu	3/27/2013	Replacement pages for Human Health Risk Assessment and Closure Report for the Phase 1 Development Sub-Area, Revision 1

Appendix B - Documents Received From NDEP

TO	FROM	DATE	SUBJECT
Mark Paris	Michael Friend	1/10/2013	NDEP's Response to: CAMU Phase IIIB Northwest Down Drain Repair Repair Response to NDEP Comments - Doc approved
Mark Paris	Shannon Harbour	1/29/2013	No Further Action Determination - Galleria Drive Right-of-Way
Mark Paris	Shannon Harbour	2/8/2013	BMI Plant Sites and Common Areas Projects - January 2013 Basic Comparison Levels - Updated User's Guide and Tables
Mark Paris	Michael Friend	2/21/2013	NDEP Approval of ESR DCN-048
Mark Paris	Greg Lovato	3/27/2013	No Further Action Determination - Phase 1 Development Sub-Area