

QUARTERLY PROGRESS REPORT

AS REQUIRED BY

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

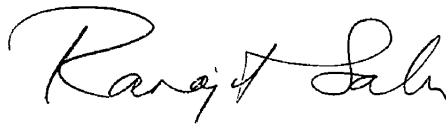
SECTION XIII, PARAGRAPHS 1 and 2.

SUBMITTED BY

BASIC REMEDIATION COMPANY

DATED JULY 15, 2015

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.



July 15, 2015

Dr. Ranajit Sahu, C.E.M. (No. EM-1699, Exp. 10/07/2015) 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 April 1 and June 30, 2015.

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 was closed, having received the last of the impacted soils from remediation activities. Final closure reports for all phases of the CAMU have been approved by the NDEP. A revised RAP (permit) for the CAMU has been issued by the NDEP through June 2020. BRC continued to implement, as needed, various maintenance tasks at the CAMU during this period, and conducted periodic leachate collection of the various CAMU sumps, as needed. Leachate disposal is continuing and will continue via the use of portable tanks, per earlier discussions with the EPA and the NDEP.

BRC completed the third annual groundwater monitoring at the CAMU pursuant to the NDEP-approved long-term CAMU groundwater monitoring work plan. Samples were collected, analyzed and validated. A data validation report will be submitted to the NDEP for approval. Upon approval, a final data report will be submitted.

Additionally, BRC: (a) obtained the NFA for the Open Space sub-area; (b) submitted a revised HRA/Tech Memo for the 1.75 acre Burns/Warm Springs Rd. parcel to the NDEP; (c) continued discussions on the previously-submitted NRAs for the Hook, Triangle, and Parcel 9 South sub-areas; (d) completed the second of two rounds of groundwater sampling for selected wells in the Eastside area pursuant to an approved workplan submitted to the NDEP; (e) continued discussions with the NDEP on various policy and technical groundwater issues including discussions on the Technical Memorandum relating to upgradient groundwater issues for the Eastside, with focus on arsenic as an example; and (f) finalized a path-forward regarding resolving BRC's involvement in CAMU groundwater issues conditioned on NDEP's future actions relating to the GWTS operated by upgradient companies at the CAMU.

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

3. Sampling Conducted

BRC collected groundwater samples per the second and final round of Eastside groundwater monitoring.

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: (a) submitting certain modifications to the RAP; (b) obtaining the NFAs for the 4 remaining sub-areas: Hook; Triangle; Parcel 9 South; and Parcel 178; (c) completing the data validation and final data reports for the Eastside groundwater refresh sampling; (d) continue policy and technical discussions with the NDEP regarding various groundwater issues for the Eastside including definition of upgradient values for various contaminants; and (e) begin refreshing the RAS for shallow Eastside groundwater.

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 needs.

6. Completions, Delays and Mitigations

While the soil remediation effort is nearing an end, BRC and the NDEP continue to have discussions in order to properly sequence efforts for groundwater.

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
Mark Paris	James Dotchin	4/15/2015	BMI Plant Sites, Common Areas Projects and Other Industrial Sites: Draft Up-Gradient Groundwater Quality Technical Memorandum for TDS, Arsenic and Perchlorate
Mark Paris	James Dotchin	4/20/2015	NDEP's Response to: DVSR Eastside Confirmation/Supplemental Sampling Events July 2012 through February 2014 (Dataset 72f) BMI Common Areas (Eastside) Dated April 7, 2014
Mark Paris	Mike Leigh	6/1/2015	Final Permit Decision - BRC Remedial Action Plan (RAP) Permit Renewal EPA ID# NVR000082255; RCRA Permit dated June 2015
Mark Paris	James Dotchin	6/17/2015	NFA Determination - Western Hook-Open Space Sub-Area
James (JD) Dotchin	ERM on behalf of BRC	5/11/2015	Technical Memorandum – Data Review for APN 178-11-501-007, Revision 1

Appendix B - Documents Received From NDEP

TO	FROM	DATE	SUBJECT
Mark Paris	James Dotchin	4/15/2015	BMI Plant Sites, Common Areas Projects and Other Industrial Sites: Draft Up-Gradient Groundwater Quality Technical Memorandum for TDS, Arsenic and Perchlorate
Mark Paris	James Dotchin	4/20/2015	NDEP's Response to: DVSR Eastside Confirmation/Supplemental Sampling Events July 2012 through February 2014 (Dataset 72f) BMI Common Areas (Eastside) Dated April 7, 2014
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BMI Common Areas Factsheet 2015

Basic Remediation Company (BRC), working under the oversight of the Nevada Division of Environmental Protection (NDEP), has completed soil remediation activities at the BMI Common Areas (hereafter “site”) as shown in the accompanying figure. As portions of the soils at the site have been gradually remediated, redevelopment activities have also commenced. Ultimately, the entire 2,200-acre site will be redeveloped as a mixed-use, master-planned community.

Beginning in 1991 and continuing for several years, Phase I and Phase II environmental investigations at the site were performed voluntarily under NDEP oversight. These investigations led to the NDEP’s Record of Decision in 2001, which ordered that impacted soils at the site be excavated and interred in a private landfill off-site. Impacted soils posing unacceptable health risks would not be left in place. Implementation of the remedy began in 2008 and impacted soils from the site have been removed and placed in an engineered landfill or Corrective Action Management Unit (CAMU), located on property owned by BRC approximately 2.5 miles from the remediation site.

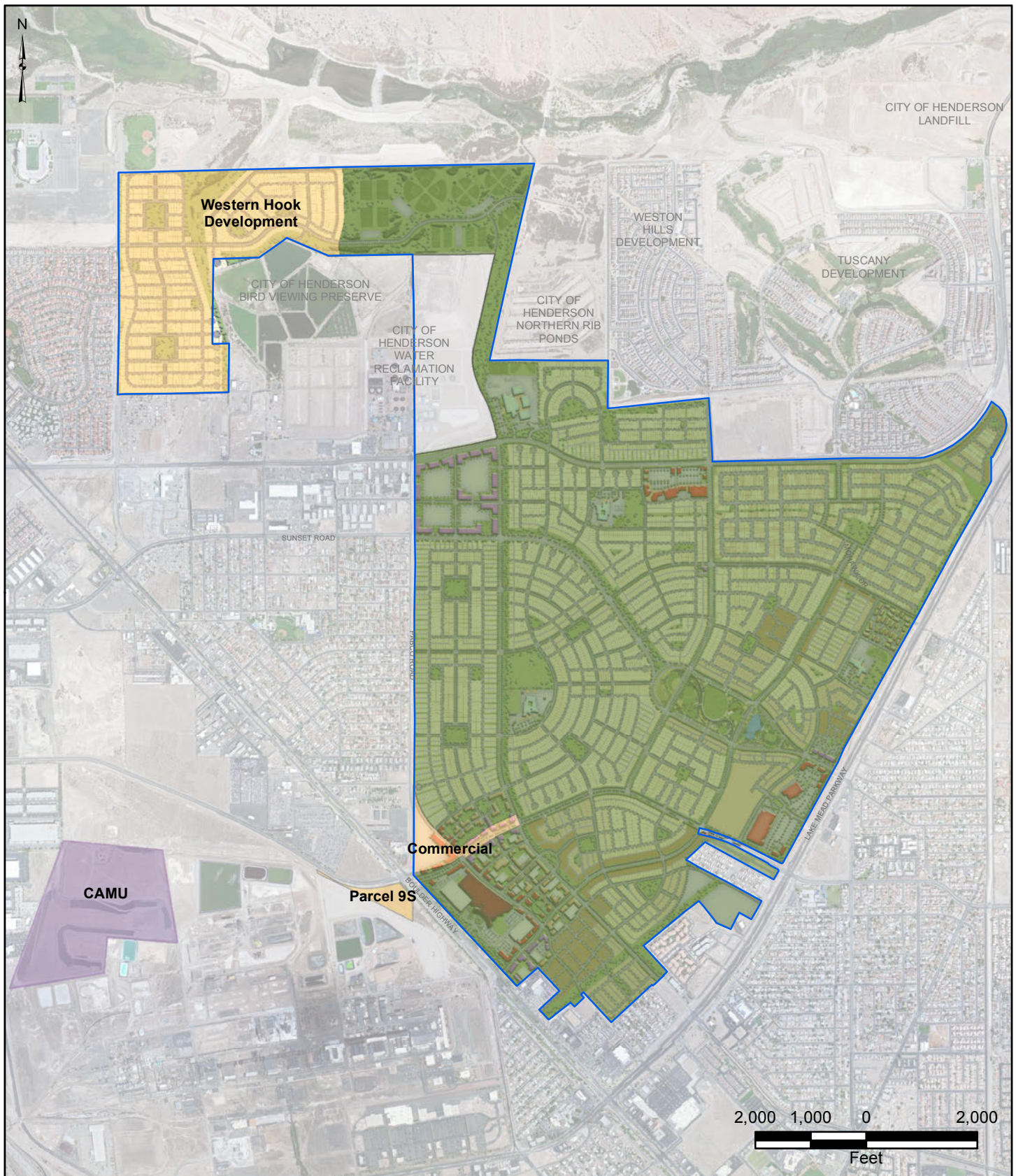
Removal of impacted soils from the site has been followed by iterative confirmation sampling for a suite of contaminants and a comprehensive health risk assessment – in order to ensure the site does not pose unacceptable health risks above background levels. Once the health risk assessment for a specific portion of the site (a sub-area) is approved by the NDEP, the NDEP then issues a No Further Action Determination (NFAD) for that sub-area. The accompanying figure shows the various sub-areas at the site, including those that have already been granted NFADs by the NDEP. It is anticipated that NFADs for all of the sub-areas will be obtained before Fall 2015.

Groundwater underlying the site has also been thoroughly characterized in order to ensure that any impacted groundwater will not pose unacceptable risks to future development uses at the site. Additional groundwater investigations continue in order to determine if remediation is required for groundwater itself (i.e., not driven by impacts to surface soils). Regardless of this investigation, groundwater at the site will not be used for drinking or for agricultural uses.

Details of the remediation and restoration activities as well as the planned redevelopment project and other information, including maps, reports, photographs, plans, applications and associated documentation, can be found at the following website:
www.landwellco.com

For further information, please contact:

Mr. Lee Farris or Dr. Ranajit (Ron) Sahu
Basic Remediation Company
875 West Warm Springs Road, Henderson, Nevada 89015
(702) 567-0400 (Mr. Farris) or (702) 683-5466 (Dr. Sahu)



Site AOC3 Boundary

CoH WRF*

*Not part of the Closure Plan for soils.

Status

Closure Report In NDEP Review

NFA Obtained

BMI Common Areas (Eastside)
Clark County, Nevada

FIGURE

**BMI COMMON AREAS
SUB-AREAS STATUS WITH
DEVELOPMENT PLAN**



Prepared by
MKJ (ERM)



Date
06/04/15

JOB No. 0064276
FILE: GIS/BR/GENERAL/SUB-AREAS.MXD