

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, 2011

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, 2011.

2. Actions Taken Towards Achieving Compliance

In addition to the various documents submitted to the NDEP discussed below, BRC and NDEP held numerous meetings and telephone calls in order to achieve progress on project activities. In-person or 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.

Limited remediation activities involving scraping, as needed, for the Phase I development/First 8 Rows sub-area were conducted, along with follow-up confirmation sampling. The CAMU (Phase V only) remains open in order to accept wastes as needed and will remain open till remediation activities cease or diminish. BRC and NDEP had several discussions relating to CAMU maintenance items such as stormwater incursions from neighboring properties and spot erosion due to rainfall. BRC continues to inspect and maintain the CAMU.

The format for NFAs and the accompanying Environmental Covenants document was agreed to between the NDEP and BRC. NDEP issued the Mohawk NFA in this format. BRC has requested that NDEP also re-issue prior NFAs (such as for the 4A and 4B areas) in the new format.

Separately, BRC: (a) continued discussions with the NDEP regarding the pending NFA for the Galleria High School sub-area – in particular, the issue of proper determination of COPCs for this sub-area (and similarly situated sub-areas); (b) had numerous discussions in this regard with the NDEP relating to soil flux, vapor intrusion issues, selection of COPCs, and the manner in which non-detect values should be handled for certain metals; (c) submitted a report containing data for the second round of semi-annual CAMU area groundwater monitoring; (d) continued discussions with the NDEP relating to the Eastside groundwater Upgradient Report and the Indicator Parameters Report; (e) completed the third semi-annual CAMU groundwater baseline data collection event; (f) initiated development of the CSM to support the RAS for Eastside groundwater; and (g) initiated preparation of the risk assessment for the Southern RIBS sub-area.

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.

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: continuing scraping of the various polygons in the First 8 Rows sub-area as needed, and obtaining NFAs for Galleria High School site and Southern RIBs sub-areas; finalizing the path-forward on side-by-side flux and soil gas analysis; completion of the third round semi-annual CAMU area groundwater monitoring report; obtaining approval of the various Eastside groundwater documents including the Upgradient and Indicator Compounds tech memos; and completion of the methodology to address COPC selection in instances where local background levels may be elevated as compared to the currently-approved background data sets (such as the Galleria HS site).

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). Since there are a small number of current activities, a list of the current activities along with status and schedule is attached to this report.
- (ii) Various Data Validation Summary Reports, as needed.
- (iii) Final NFA-support risk assessment reports for sub-areas noted above.
- (iv) Final ground water technical memos after NDEP comments, as needed.

Additional documents may also be submitted depending on project progress.

6. Completions, Delays and Mitigations

The remediation effort is generally on schedule.

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
William Knight	ERM on behalf of Ron Sahu	1/11/2011	Human Health Risk Assessment and Closure Report for the Mohawk Sub-Area; Revision 5
William Knight	ERM on behalf of Ron Sahu	1/14/2011	DVSR for the CAMU Semi-Annual Groundwater Monitoring Event - October 2010 (Dataset 55f), BRC CAMU Area
William Knight	ERM on behalf of Ron Sahu	1/18/2011	Technical Memorandum – Use of Surface Flux Data for Human Health Risk Assessments; Revision 1
William Knight	DBS&A on behalf of Ron Sahu	1/21/2011	Tech Memo-Indicator Parameter Selection, BMI Common Areas (Eastside Main-Eastside Hook Areas)
William Knight	ERM on behalf of Ron Sahu	2/1/2011	Human Health Risk Assessment and Closure Report - Mohawk Sub-Area Rev. 5
William Knight	ERM on behalf of Ron Sahu	2/7/2011	DVSR for the CAMU Semi-Annual Groundwater Monitoring Event - October 2010 (Dataset 55f), BRC CAMU Area - Revised
William Knight	ERM on behalf of Ron Sahu	2/22/2011	DVSR for the 2010 Eastside North Confirmation Soil Investigations - Part II (Dataset 72b), BMI Common Areas (Eastside)
William Knight	ERM on behalf of Ron Sahu	3/7/2011	CAMU October 2010 Semi-Annual Groundwater Monitoring Report; Revision 0
William Knight	Geosyntec on behalf of Ron Sahu	3/18/2011	BRC Phase I and II Sump Evaluation
Shirley DeCrona	Mark Paris	3/24/2011	Response to Past Payment Requests dated 3/11/11
William Knight	ERM on behalf of Ron Sahu	3/24/2011	Transmittal of Evaluations Conducted for Multiple Lines of Evidence for the Selection of Metal COPCs; Revision 0

Appendix B - Documents Received From NDEP

TO	FROM	DATE	SUBJECT
Mark Paris	Greg Lovato	1/14/2011	NDEP's Response to: Data Validation Summary Report for the Staging Sub-Area Soil Investigation (Dataset 66), BMI Common Areas (Eastside) dated December 17, 2010
Mark Paris	Greg Lovato	1/14/2011	NDEP's Review of Submittal Dates for: BRC Quarterly Progress Report CAMU October 2010 Semi-Annual Groundwater Monitoring Report dated December 17, 2010
Mark Paris	Greg Lovato	1/27/2011	NDEP's Response to: DVSR for the CAMU Semi-Annual Groundwater Monitoring Event-October 2010 (Dataset 55f), BRC Corrective Action Management Unit (CAMU) Area, dated January 14, 2011
Mark Paris	Greg Lovato	2/14/2011	NDEP's Response to: DVSR for the CAMU Semi-Annual Groundwater Monitoring Event - October 2010 (Dataset 55f), BRC CAMU Area, Dated- January 14, 2011 as revised by letter and database update dated February 7, 2011
Mark Paris	Greg Lovato	3/8/2011	NFA - Mohawk Sub-Area
Mark Paris	Shirley DeCrona	3/11/2011	Past Payment Request (#53, 54 & 55)
Mark Paris	Greg Lovato	3/18/2011	NDEP's Response to: Data Validation Summary Report for the 2010 Eastside North Confirmation Soil Investigations-Part II (Dataset 72b), BMI Common Areas (Eastside) dated February 22, 2011
Mark Paris	William Knight	3/22/2011	Technical Guidance for the Calculation of Asbestos Related Risk in Soils for the Basic Management Incorporated (BMI) Complex and Common Areas
Mark Paris	Greg Lovato	3/22/2011	NDEP's Response to: BRC SOP BMI Common Areas Clark County, Nevada SOP-12 Surface Soil Sampling and Analysis for Asbestos: Dated: January 11, 2011

Ongoing Activities List and Schedule

- Additional Evaluation of Metals. NDEP reviewing BRC submittal for Galleria HS Site. Expect comments on 4/13/11.
- Asbestos SOP. BRC to submit final clean version by 4/30/11.
- Southern RIBs Risk Assessment. DU/COPC selection portion of HRA in preparation. Due to NDEP by 4/30/11.
- Galleria North High School Site. Metals evaluation in progress. See above.
- Soil Gas Evaluation. NDEP reviewing BRC submittal. Expect feedback by 4/30/11.
- First 8 Rows/Phase I Development. Final sampling results for R5 scrape expected 4/13/11. If OK, BRC will develop DU/COPC selection portion of HRA and submit to the NDEP by 5/15/11.
- Reissuance of NFAs for Parcels 4A, 4B and the Utility Corridor in the new format. NDEP to reissue by 4/15/11.
- Groundwater. Indicator Parameter Tech Memo. NDEP to provide feedback by 4/29/11.
- Groundwater. Upgradient/Downgradient Tech Memo. NDEP to provide feedback by 4/29/11
- CAMU GW Monitoring. BRC completed Third Semi-Annual Monitoring Event on 3/31/11. Data report expected to the NDEP by 5/31/11. NDEP to provide any comments on Second Event Report to BRC by 5/1/11.
- CAMU CQA Issues. See items in minutes of CQA meetings, held separately.
- Access issues, MOSS. Matter in litigation.
- Ampac Impacts on Hook Parcel. BRC and Ampac are in discussions regarding potential solutions. Ampac has indicated that other parties may be contributing. BRC planning to send a letter to all stakeholders by 4/31/11.