

QUARTERLY PROGRESS REPORT

AS REQUIRED BY

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

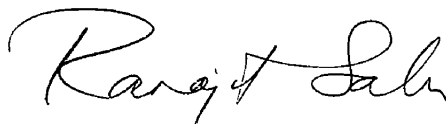
SECTION XIII, PARAGRAPHS 1 and 2.

SUBMITTED BY

BASIC REMEDIATION COMPANY

DATED JANUARY 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.



1/15/15

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 October 1 and December 31, 2014.

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) received the last of the remediation wastes from the soils cleanup project and preparations were made to close this final Phase of the CAMU. 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 via the use of portable tanks, per discussions with the EPA and the NDEP.

BRC completed the second 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 report was submitted to the NDEP for approval. Comments were received as of this writing and are being reviewed.

During this period, BRC submitted additional documents, as requested by the NDEP, for the renewal of the CAMU RAP. The public notice for the RAP renewal was issued and completed. BRC and NDEP continue to discuss financial assurance for the CAMU before the RAP can be issued.

Additionally, BRC: (a) completed all final sampling at the Hook and Triangle sub-areas; (b) completed sampling at two locations in the small 1.75 acre Burns/Warm Springs Rd parcel; (c) received comments from the NDEP on the HRA for the Eastside Main sub-area to the NDEP and discussed the comments with the NDEP and its consultants and then addressed the comments via revised replacement pages in the HRA; (d) submitted the HRA for the Open Space sub-area to the NDEP for review; (e) submitted the HRA for the Hook sub-area to the NDEP for review; (f) began data assessment for the Parcel 9 South sub-area in preparation for its HRA; (g) began data assessment for the Triangle sub-area in preparation for its HRA; (h) initiated field groundwater sampling for selected wells in the Eastside area pursuant to an approved workplan submitted to the NDEP; and (i) 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.

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 Hook, Triangle, and 1.75 acre Burns/Warm Springs Road sub-areas.

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: obtaining the NFAs for the Eastside sub-area; the Open Space sub-area; the Hook sub-area; and the remaining Triangle, Parcel 9 South and 1.75 acre Burns/Warm Springs Rd sub-areas; and completing closure of the CAMU. In addition, BRC hopes to resolve all issues and obtain the RAP for the CAMU; complete field sampling for the Eastside groundwater sampling event started in December 2014 and continue policy and technical discussions with the NDEP regarding various groundwater issues for the Eastside including definition of upgradient values for various contaminants.

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 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
James (JD) Dotchin	ERM on behalf of BRC	10/14/2014	Human Health Risk Assessment and Closure Report for the Western Hook-Development Sub-Area, Revision 0, BMI Common Areas (Eastside)
Michael Friend	BRC	10/15/2014	BRC Quarterly Report
Michael Friend	Geosyntec on behalf of BRC	11/21/2014	BRC CAMU Status Memo 155
Michael Friend	Geosyntec on behalf of BRC	11/26/2014	BRC CAMU Status Memo 156
James (JD) Dotchin	ERM on behalf of BRC	12/5/2014	Replacement pages for Human Health Risk Assessment and Closure Report for the Eastside Main Sub-Area
BMI Compliance Coordinator	ERM on behalf of BRC	12/5/2014	Data Validation Summary Report for the Eastside Confirmation/Supplemental Sampling Events - March 2014 through August 2014 (Dataset 72g) Revision 0
Michael Friend	Geosyntec on behalf of BRC	12/5/2014	BRC CAMU Status Memo 157
Michael Friend	Geosyntec on behalf of BRC	12/12/2014	BRC CAMU Status Memo 158
James (JD) Dotchin	ERM on behalf of BRC	12/16/2014	Human Health Risk Assessment and Closure Report for the Western Hook-Development Sub-Area, Revision 0, BMI Common Areas (Eastside)
Michael Friend	Geosyntec on behalf of BRC	12/19/2014	BRC CAMU Status Memo 159
Michael Friend	Geosyntec on behalf of BRC	12/24/2014	BRC CAMU Status Memo 160

Appendix B - Documents Received From NDEP

TO	FROM	DATE	SUBJECT
Mark Paris	Michael Friend	11/4/2014	NDEP Approval on DCN's 048, 049, 050, 051 and 052 dated February 18, 2013; August 9, 2013; October 29, 2013; June 19, 2014; July 01, 2014
Mark Paris	James (JD) Dotchin	11/25/2014	NDEP RTC: Human Health Risk Assessment and Closure Report for the Eastside Main Sub-Area, BMI Common Areas (Eastside) Dated June 25, 2014



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.

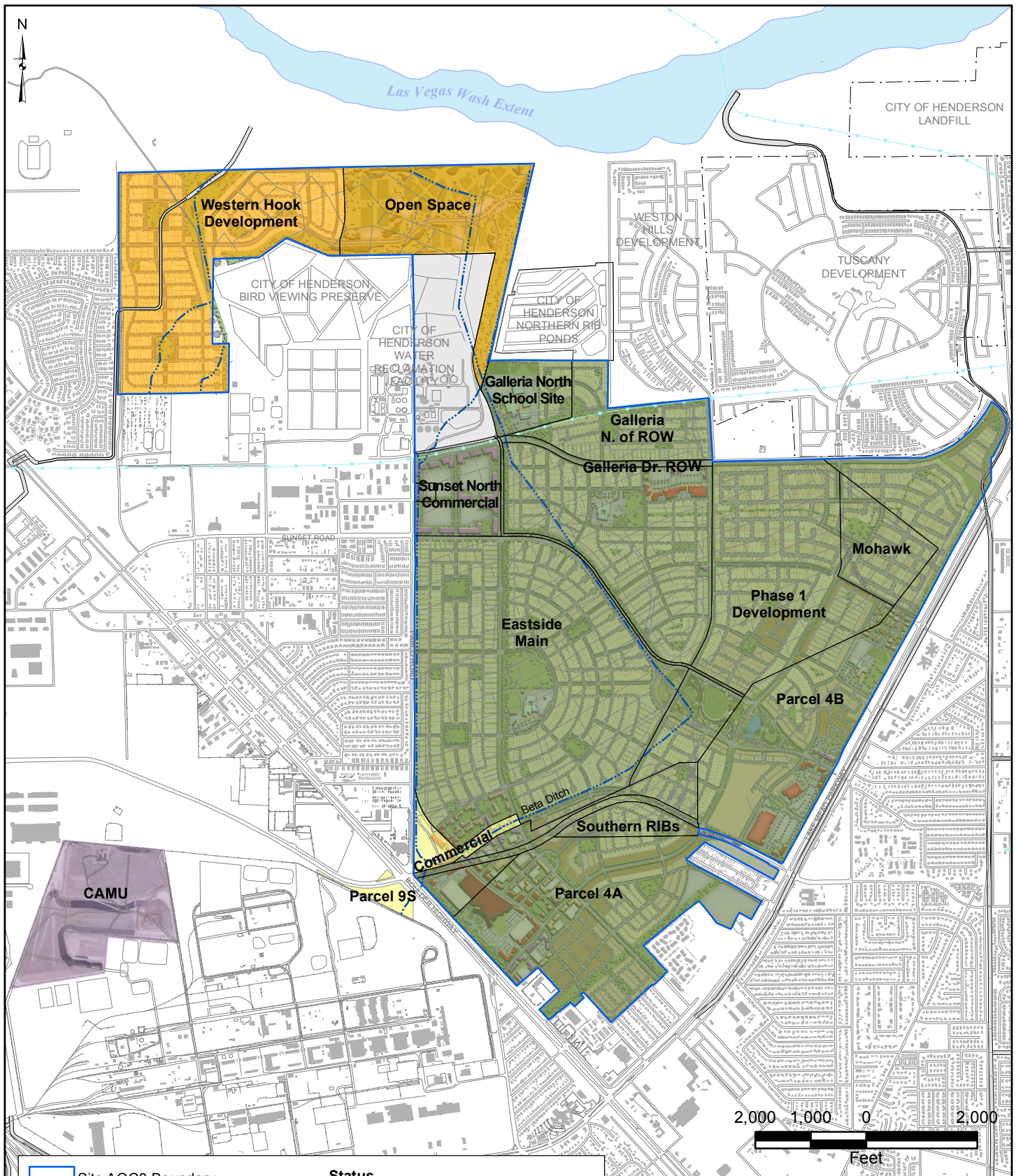
Removal of impacted soils from the site has been followed by iterative confirmation sampling for a suite of contaminants and a comprehensive health risk assessment – in order to ensure the site does not pose unacceptable health risks above background levels. Once the health risk assessment for a specific 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 spring 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

Ditches

Flood Conveyance Channels

Laterals

CoH WRF*

*Not part of the Closure Plan for soils.

Status

Closure Report In Preparation

Closure Report In NDEP Review

NFA Obtained

BMI Common Areas (Eastside)
Clark County, Nevada

FIGURE

BMI COMMON AREAS SUB-AREAS WITH DEVELOPMENT PLAN



Prepared by
MKJ (ERM)



Date
12/03/14

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