

QUARTERLY PROGRESS REPORT

AS REQUIRED BY

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

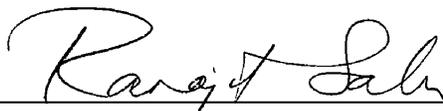
SECTION XIII, PARAGRAPHS 1 and 2.

SUBMITTED BY

BASIC REMEDIATION COMPANY

DATED JULY 15, 2016

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.



7/15/16

Dr. Ranajit Sahu, C.E.M. (No. EM-1699, Exp. 10/07/2017) 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, 2016.

2. Actions Taken Towards Achieving Compliance

Maintenance activities at the CAMU continued as needed, including leachate collection at the sumps. Discussions were held between BRC and the NDEP regarding disposal of the collected leachate as well as associated regulatory issues. BRC will manage the CAMU leachate via offsite disposal. BRC is preparing a submittal to the NDEP requesting modification of the CAMU RAP. The modifications will address removal of language no longer applicable in the RAP since the construction of the CAMU is now complete.

BRC completed the 2016 annual groundwater monitoring at the CAMU pursuant to the NDEP-approved long-term CAMU groundwater monitoring work plan. Samples were collected, analyzed and are being validated.

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.

Additionally: (a) BRC held discussions with the NDEP regarding the data obtained from the two rounds of Eastside monitoring; (b) BRC held discussions with the NDEP re. the NDEP's approach to establish upgradient values for the Eastside shallow groundwater and additional issues associated with the path forward for groundwater for the Eastside, including possible additional targeted groundwater data collection to determine the stability of certain analytes in selected wells; and (c) continued to develop the Eastside CSM.

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

3. Sampling Conducted

None.

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) preparation of the data validation and data reports for the 2016 annual groundwater monitoring at the CAMU; (b) disposal of CAMU leachate, as needed; (c) continuing policy and technical discussions with the NDEP regarding various groundwater issues for the Eastside including definition of upgradient values for various contaminants appropriate for the Eastside and possible additional targeted groundwater data collection; (d) continued refreshing the CSM for shallow Eastside groundwater; (e) finalizing the path forward dealing with CAMU groundwater issues; and (f) submittal of the modification to the RAP.

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

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
BMI Compliance Coordinator	ERM on behalf of BRC	4/5/2016	DVSR for the December 2014/January 2015 and May/June 2015 Eastside Groundwater Monitoring Events (Dataset 75), BMI Common Areas
BMI Compliance Coordinator	ERM on behalf of BRC	5/6/2016	2014/2015 Eastside Groundwater Monitoring Report, BMIC Common Areas Eastside Site

Appendix B - Correspondence from NDEP

TO	FROM	DATE	SUBJECT
Mark Paris	Grant Evenson	4/7/2016	NDEP's Response to: 2014/2015 Eastside Groundwater Monitoring Report, BMI Common Area Eastside Site dated February 15, 2016
Mark Paris	Grant Evenson	4/8/2016	NDEP's Response to: 2015 CAMU Long-term Groundwater Monitoring Report, BRC Corrective Action Management Unit (CAMU) Area, dated March 2016
Mark Paris	Grant Evenson	6/16/2016	NDEP's Approval of: 2015 CAMU Long-term Groundwater Monitoring Report, BRC CAMU Dated: March 2016



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.

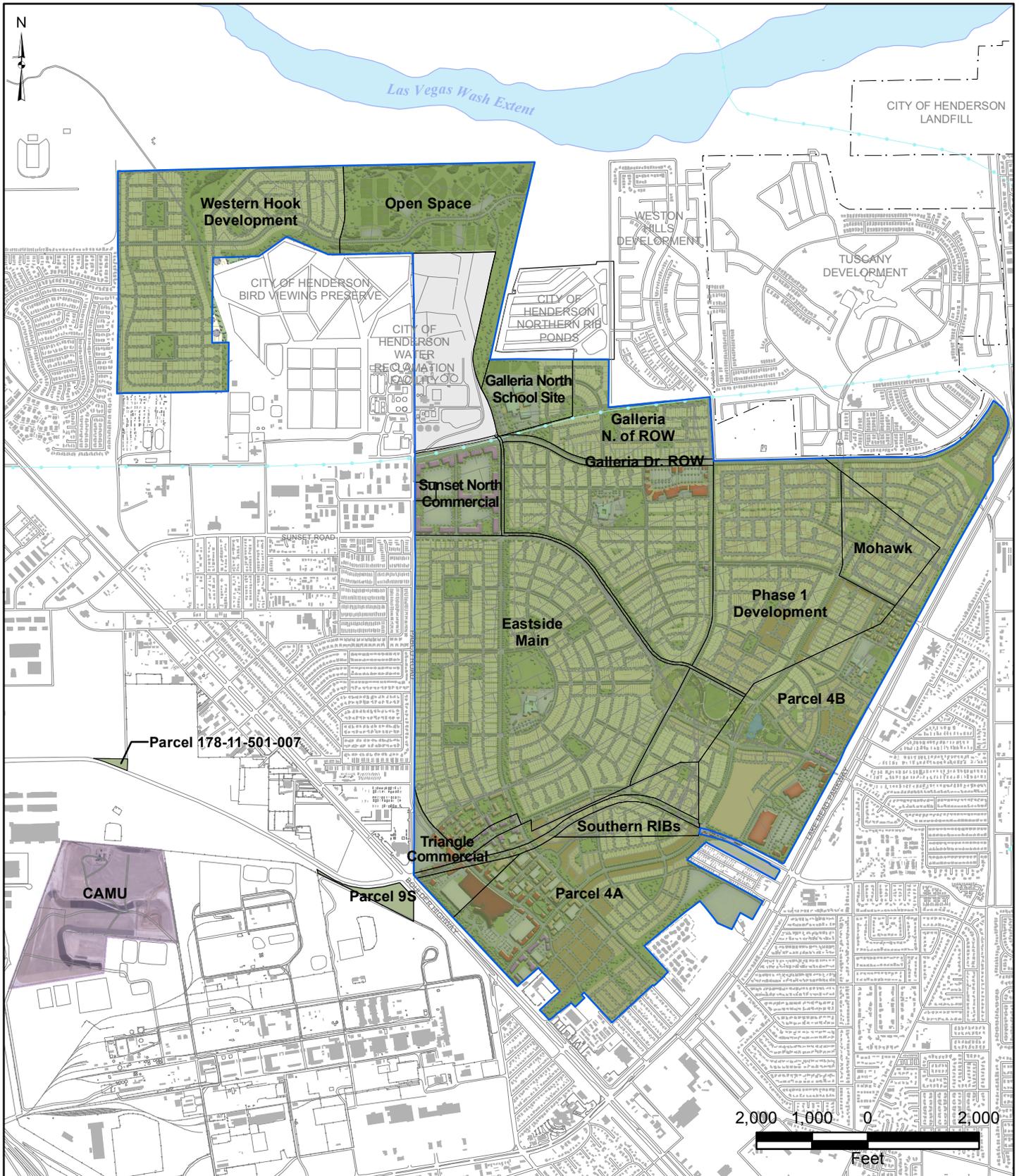
Removal of impacted soils from the site has been followed by iterative confirmation sampling for a suite of contaminants and a comprehensive health risk assessment – in order to ensure the site does not pose unacceptable health risks above background levels. Once the health risk assessment for a specific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

 Laterals

 CoH WRF*

Status

 NFA Obtained

*Not part of the Closure Plan for soils.

BMI Common Areas (Eastside)
Clark County, Nevada

FIGURE

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



Prepared by
MKJ (ERM)



Date
10/07/15

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