PETER G. MORROS, Director

ALLEN BIAGGI, Administrator

(775) 687-4670

TDD 687-4678

Administration Water Pollution Control Facsimile 687-5856

Mining Regulation and Reclamation Facsimile 684-5259

STATE OF NEVADA KENNY C. GUINN Governor



Waste Management Corrective Actions Federal Facilities

Air Quality
Water Quality Planning
Facsimile 687-6396

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF ENVIRONMENTAL PROTECTION

333 W. Nye Lane, Room 138 Carson City, Nevada 89706-0851

August 9, 1999

Mr. Dan H. Stewart President and Chief Executive Officer Basic Management, Inc. PO Box 2065 Henderson, Nevada 89015

Re: BMI Center, Gates 8 & 9 (Exclusion Areas 5 & 6)

Dear Mr. Stewart:

The Nevada Division of Environmental Protection (NDEP) has completed its review of Basic Management, Inc.'s (BMI) request, dated January 27, 1998, for a no further action (NFA) determination and a written assurance regarding future liability for BMI Center, Gates 8 & 9 (the "Property") within the BMI Industrial Complex in Henderson and Clark County, Nevada. The Property is more fully described in the legal description attached to your request, which is incorporated by this reference.

The Division agrees that the legal description submitted with the Exclusion Area 5 No Further Action Request was in error and incorrectly omits the BMI property south of the Western Transect. As shown in Figure 1 of the ERM-West work plan (dated June 11, 1997), all of Parcel 5/6 was the subject of the work plan and subsequent clean up. Figure 1 also indicates the area south of the Western Transect was in the portion of the site with "...no evidence of asbestos-containing material (ACM)."

Based on our review of this additional information, and the documentation referenced in our previous NFA letters for Exclusion Area 6 (September 30, 1997) and Exclusion Area 5 (August 18, 1998), the Division concludes that no further actions are required or necessary with respect to the Property to protect human health or the environment. NDEP hereby excludes the Property from any further environmental assessment or other response action, and agrees that development may proceed on the Property without environmental restriction based on known present conditions. The NDEP fully releases and discharges the Property from any and all terms, requirements and obligations of those certain Consent Agreements which were entered into by the NDEP respecting

Mr. Dan H. Stewart August 9, 1999 Page 2

the BMI industrial Complex, dated April 25, 1991¹, and February 23, 1996².

In consideration of the fulfillment of NDEP's environmental assessment and no further action requirements, the State of Nevada, Department of Conservation and Natural Resources, Division of Environmental Protection ("Division") hereby releases, discharges and covenants not to seek to hold any purchaser, tenant, lender or other third party which acquires an interest in the Property, or any of their officers, directors, partners, employees, agents, successors, affiliates or assigns, (collectively "Parties") liable as owners, operators or in any other manner, in law or in equity, under any statute, regulation or any federal, state or common law, for contamination known to exist at, on, in or below the Property and described in the final ECR Report. The Division reserves, and the foregoing sentence is without prejudice to, all of its authorities with respect to the discovery of contaminated conditions at, on, in or below the Property that are not described in the final ECR Report, and the receipt by the Division of information, previously unknown to the Division, in the event that either such conditions or information indicate an actual or potential threat to human health or the environment. The Division acknowledges that BMI and Parties may rely on the covenants in this paragraph in connection with the purchase, sale and development of the Property, and consents to such reliance. The Division consents to the recordation of these covenants or a recordable notation of them in the Clark County Recorder's Office.

The undersigned certifies that he is authorized by the Director, Department of Conservation and Natural resources, to sign this letter.

Sincerely.

Allen Biaggi

cc:

R. Kelso, NDEP

Mr. Gregory W. Schlink, Basic Management, Inc., P.O. Box 2065,

Henderson, Nevada 89015

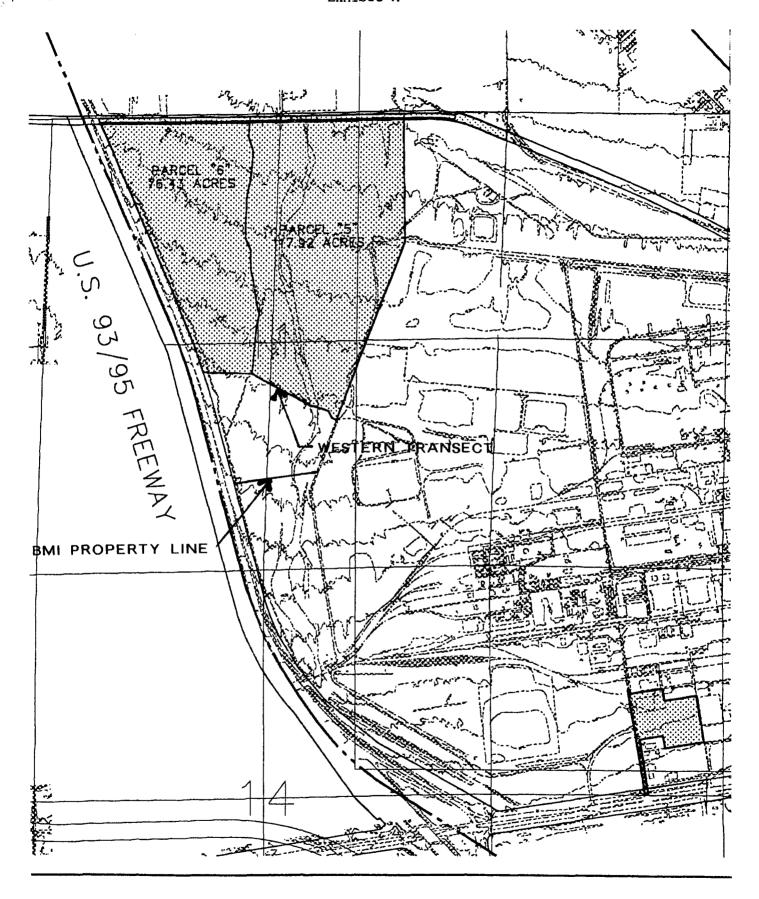
Mr. David W. Tunderman, Esq., Parsons Behle & Latimer, P.O. Box 45898, Salt Lake City, Utah 84145-0898

Mr. Barry Conaty, Esq., Cutler & Stanfield, 700 Fourteenth Street, N.W., Washington, D.C. 20005

Mr. Philip Speight, City Manager, 240 Water Street, Henderson, NV 89015

The other parties are Chemstar, Inc., Kerr-McGee Chemical Corporation, Montrose Chemical Corporation of California, Inc., Pioneer Chlor Alkali Company, Inc., Stauffer Management Company, Inc., and Titanium Metals Corporation.

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Civil Engineering
Land Surveying
Global Positioning

Land Planning • GIS

Construction

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Program Management

ADA Consulting

Architecture

Measurement Technologies

Water Ventures international



EXPLANATION

THIS LAND DESCRIPTION DESCRIBES A PARCEL OF LAND GENERALLY LOCATED SOUTH OF WARM SPRINGS ROAD AND EAST OF U.S. HIGHWAY 95 FOR NEVADA DEPARTMENT OF ENVIRONMENTAL PROTECTION EXCLUSION AREA PURPOSES.

LAND DESCRIPTION

A PORTION OF SECTION 11, TOWNSHIP 22 SOUTH, RANGE 62 EAST, MOUNT DIABLO MERIDIAN, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE QUARTER CORNER COMMON TO SECTIONS 2 AND 11, MARKED BY AN ALUMINUM CAP IN CONCRETE STAMPED "PLS 4541": THENCE NORTH 88°57'58" EAST ALONG THE NORTH LINE OF SAID SECTION 11, 1409.86 FEET; THENCE SOUTH 01°01'48" EAST DEPARTING SAID NORTH LINE, 1488.96 FEET; THENCE SOUTH 20°08'16" WEST, 2820.54 FEET; THENCE SOUTH 80°47'10" WEST, 972.91 FEET TO THE EAST RIGHT-OF-WAY LINE OF U.S. HIGHWAY 95 (WIDTH VARIES); THENCE ALONG SAID EAST RIGHT-OF-WAY LINE, THE FOLLOWING FOUR (4) COURSES: (1.) NORTH 14°54'06" WEST, 790.19 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 10150.00 FEET: (2.) NORTHWESTERLY 1420.01 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08°00'57"; (3.) NORTH 22°55'03" WEST, 2199.90 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 10150.00 FEET; (4.) NORTHWESTERLY 108.15 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°36'38" TO SAID NORTH LINE OF SECTION 11; THENCE NORTH 89°00'27" EAST DEPARTING SAID EAST RIGHT-OF-WAY LINE AND ALONG SAID NORTH LINE, 764.65 FEET TO THE WEST SIXTEENTH CORNER COMMON TO SECTIONS 2 AND 11, MARKED BY AN ALUMINUM CAP STAMPED "PLS 8186"; THENCE NORTH 89°00'27" EAST ALONG SAID NORTH LINE, 1292.99 FEET TO THE POINT OF BEGINNING, AS SHOWN ON THE EXHIBIT TO ACCOMPANY LAND DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 223.77 ACRES, AS DETERMINED BY COMPUTER METHODS.

BASIS OF BEARINGS

SOUTH 88°57'58" WEST, BEING THE BEARING OF THE NORTH LINE OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION 11, TOWNSHIP 22 SOUTH, RANGE 62 EAST, MOUNT DIABLO MERIDIAN, CLARK COUNTY, NEVADA, AS SHOWN ON THAT CERTAIN MAP ON FILE IN THE CLARK COUNTY RECORDER'S OFFICE IN FILE 80 OF SURVEYS AT PAGE 100.

END OF DESCRIPTION.

