

Bmi/60002(2)/R1

STATE OF NEVADA

BOB MILLER
Governor



PETER G. MORROS, Director

L.H. DODGION, Administrator

(702) 687-4670
TDD 687-4678

Administration
Mining Regulation and Reclamation
Water Pollution Control

Facsimile 687-5856

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 18, 1998



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

Re: Exclusion Area 5

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 determination and a written assurance regarding future liability for Exclusion Area 5 (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.

Our review has included available information regarding environmental conditions on the Property, including the Phase I Environmental Conditions Assessment for the Basic Management, Inc. Industrial Complex, Clark County, Nevada (Geraghty & Miller, Inc., April, 1993), the Environmental Characterization Report, BMI Exclusion Areas 3, 4A, 4B, 5/6, Henderson, Nevada (ERM-West, Inc., August 1996), a letter report, Response to Comments on Environmental Characterization Report, BMI Exclusion Areas, Henderson, Nevada (ERM-West, Inc., January 17, 1997) and a final Environmental Characterization Report (ECR), BMI Exclusion Areas 3, 4A, 4B, 5/6, Henderson, Nevada (ERM-West, Inc., April 1997). These reports adequately describe and characterize environmental conditions on the Property.

The Division has also reviewed site remediation report prepared by ERM-West, Inc. entitled "Abatement of Asbestos Containing Material (ACM) and ACM-Impacted Soils, BMI Common Areas Parcel 5/6, Henderson, Nevada" (dated January 1998 and revised by ERM-West letter dated 21 July 1998). The map entitled ACM Site With Topography, prepared by Pentacore Engineering and dated July 29, 1997, adequately describes that portion of Parcel 5/6 for which release is currently being requested.

Based on our review of this information, we have concluded that no further actions are required or necessary with respect to the Property to protect human health or the environment. The revised Abatement of ACM Report referenced above also fulfills the environmental assessment requirements of the NDEP's letter to BMI dated March 8, 1994. NDEP hereby excludes the Property from any further environmental assessment or other response action, and agrees that development may proceed on the

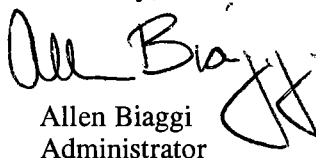
Mr. Dan H. Stewart
President and Chief Executive Officer
Basic Management, Inc.
August 18, 1998
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Property without environmental restriction based on known present conditions. The NDEP fully releases and discharges the Property from any and all terms, requirements and obligations of those certain Consent Agreements which were entered into by the NDEP respecting 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
Administrator

AJB:kmf

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

¹ 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.

² The other parties are Kerr-McGee Chemical Corporation, Montrose Chemical Corporation of California, Inc., Pioneer Chlor Alkali Company, Inc., Stauffer Management Company, and Titanium Metals Corporation.



P.O. BOX 2065
Henderson, Nevada 89015
(702) 565-6485
Fax (702) 565-9489

File # ~~BMI/50000(2)/A2~~

BMI/60002(2)/R1

January 27, 1998

Mr. Robert C. Kelso, P.E.
Supervisor, Remediation Branch
Bureau of Corrective Actions
Nevada Division of Environmental Protection
333 West Nye Lane
Carson City, Nevada 89706-0866

RE: Exclusion Area 5

Dear Bob:

Basic Management, Inc. ("BMI") hereby requests a no further action determination and a written assurance regarding future liability for a portion of the area previously described as Exclusion Area 5 (the "Property") within the BMI Industrial Complex in Henderson and Clark County, Nevada. The Property is more fully described in the legal description, which is attached as Exhibit A and incorporated by this reference. BMI also requests a release of the Property from the terms, requirements and obligations of the Consent Agreements entered into by the NDEP respecting the BMI Industrial Complex, dated April 25, 1991 and February 23, 1996.

BMI's request is based on several environmental assessments of the Property, including the Phase I Environmental Conditions Assessment for the Basic Management, Inc. Industrial Complex, Clark County, Nevada (Geraghty & Miller, Inc., April 1993), the Environmental Characterization Report, BMI Exclusion Areas 3, 4A, 4B, 5/6, Henderson, Nevada (ERM-West, Inc., August 1996), a letter report, Response to Comments on Environmental Characterization Report, BMI Exclusion Areas, Henderson, Nevada (ERM-West, Inc., January 17, 1997) and the Environmental Characterization Report, BMI Exclusion Areas 3, 4A, 4B, 5/6, Henderson Nevada (ERM-West Inc., April 1997). The request is also based on the remediation of the site as detailed in the enclosed report (3 copies), Abatement of Asbestos Containing Material (ACM) and ACM-Impacted Soils, BMI Common Areas Parcel 5/6, Henderson, Nevada (ERM-West, Inc., January 1998).

Also enclosed is a map titled ACM Site With Topography prepared by Pentacore Engineering and dated July 29, 1997. The "Impacted Area" indicated on the map depicts this requested exclusion area.

Mr. Robert C. Kelso, P.E.

January 27, 1998

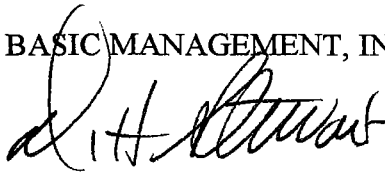
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BMI believes these reports and map adequately describe and characterize environmental conditions on the Property and fulfill the environmental assessment requirements of the NDEP's letter to Basic Management, Inc. dated March 8, 1994. That letter states, "if the [environmental] assessment for a particular parcel indicates no public health or environmental problems are present, the Division will issue a letter indicating development may proceed on the property". BMI desires to develop the Property, and requests a letter stating that no further actions are necessary with respect to the Property, certifying that development may proceed without environmental restriction and assuring third parties that the NDEP will not seek to hold them liable for any environmental conditions on the Property. We respectfully request the letter be in the same form as the one previously issued by NDEP for exclusion areas 4A and 4B.

Thank you for your consideration and assistance.

Sincerely,

BASIC MANAGEMENT, INC.



Dan H. Stewart

President and Chief Executive Officer

DHS:GWS:sb

cc: Mike Bailey, Esq., PB&L w/ encl.
Gregory W. Schlink, BMI, w/o encl.
Lee Erickson, Stauffer Management, w/ encl.
John D. Edgcomb, Esq., w/ encl.



PENTACORE

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FILE: EXCL5.DOC
JANUARY 26, 1998
BY: C.L.M.
CKD: M.J.J.
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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, MORE PARTICULARLY 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 SOUTH 89°00'27" WEST ALONG THE NORTH LINE OF SAID SECTION 11, 350.54 FEET; THENCE SOUTH 02°20'49" WEST DEPARTING SAID NORTH LINE, 230.66 FEET; THENCE SOUTH 16°38'39" EAST, 176.23 FEET; THENCE SOUTH 03°09'12" WEST, 174.92 FEET; THENCE SOUTH 06°46'36" WEST, 158.64 FEET; THENCE SOUTH 10°28'39" WEST, 230.72 FEET; THENCE SOUTH 00°35'36" EAST, 140.13 FEET; THENCE SOUTH 01°38'52" WEST, 308.94 FEET; THENCE SOUTH 20°34'39" EAST, 162.46 FEET; THENCE SOUTH 00°59'57" WEST, 107.73 FEET; THENCE SOUTH 03°53'02" EAST, 126.63 FEET; THENCE SOUTH 14°19'31" EAST, 104.30 FEET; THENCE SOUTH 08°33'23" EAST, 281.58 FEET; THENCE SOUTH 15°12'56" EAST, 136.93 FEET; THENCE SOUTH 12°57'16" WEST, 102.37 FEET; THENCE SOUTH 07°43'25" WEST, 198.14 FEET; THENCE SOUTH 05°20'22" WEST, 182.89 FEET; THENCE SOUTH 03°08'35" WEST, 136.00 FEET; THENCE SOUTH 10°19'17" WEST, 66.57 FEET; THENCE SOUTH 59°28'56" EAST, 88.84 FEET; THENCE SOUTH 61°02'20" EAST, 296.13 FEET; THENCE SOUTH 61°22'48" EAST, 217.98 FEET; THENCE SOUTH 60°02'47" EAST, 97.41 FEET; THENCE SOUTH 60°07'24" EAST, 65.29 FEET; THENCE SOUTH 74°58'43" EAST, 113.45 FEET; THENCE SOUTH 71°24'55" EAST, 115.23 FEET; THENCE SOUTH 27°24'08" EAST, 91.52 FEET; THENCE SOUTH 65°12'13" EAST, 58.33 FEET; THENCE NORTH 20°08'16" EAST, 2208.30 FEET; THENCE NORTH 01°01'48" WEST, 1488.96 FEET TO SAID NORTH LINE; THENCE SOUTH 88°57'58" WEST ALONG SAID NORTH LINE, 1409.86 FEET TO THE **POINT OF BEGINNING**, AS SHOWN ON THE EXHIBIT TO ACCOMPANY LAND DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 117.92 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.

FOUND ALUMINUM CAP
PLS 8186
NO MAP REFERENCE

FOUND ALUMINUM CAP
CONCRETE PLS 4541
PER FILE 80, PAGE 100
OF SURVEYS
POINT OF BEGINNING

FOUND GLO BRASS
CAP CLY061L 1942
PER FILE 5, PAGE 12
OF PARCEL MAPS

