

QUARTERLY PROGRESS REPORT

AS REQUIRED BY

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

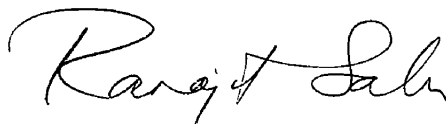
SECTION XIII, PARAGRAPHS 1 and 2.

SUBMITTED BY

BASIC REMEDIATION COMPANY

DATED OCTOBER 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.



11/6/15

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 July 1 and September 30, 2015.

2. Actions Taken Towards Achieving Compliance

BRC received all of the No-Further-Action Determinations (NFADs) for the impacted soils in the BMI Common Areas during this last period. The last two NFADs were received on September 29, 2015.

Maintenance activities at the CAMU continued as needed, including leachate collection at the sumps. BRC is preparing a submittal to the NDEP requesting modification of the CAMU RAP. The modifications will address: (i) removal of language no longer applicable in the RAP since the construction of the CAMU is now complete; (ii) submittal of a revised annual groundwater monitoring plan for the CAMU based on the experience gained in the last 3 years of annual monitoring; and (iii) request to build a sump for containment of the leachate collection tanks.

BRC completed the third 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 has been submitted to the NDEP.

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, BRC: (a) is preparing the data validation report for the two rounds of groundwater sampling conducted at the Eastside; (b) 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; and (c) finalized a path-forward regarding resolving BRC's involvement in CAMU groundwater issues conditioned on NDEP's future actions relating to the GWTS operated by upgradient companies at the CAMU.

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) submitting a data validation report followed by the data report for groundwater based on the two rounds of data collected as previously discussed; (b) continue policy and technical discussions with the NDEP regarding various groundwater issues for the Eastside including definition of upgradient values for various contaminants; (c) begin refreshing the CSM for shallow Eastside groundwater; and (d) finalize the path forward dealing with CAMU groundwater issues.

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

Soil remediation activities at the site are now complete with the receipt of all outstanding NFA determinations from the NDEP. 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	7/10/2015	Data Validation Summary Report 2015 CAMU Annual Long-Term Groundwater Monitoring Event April/May 2015 (Dataset 74c)
BMI Compliance Coordinator	ERM on behalf of BRC	8/11/2015	Data Validation Summary Report for the Eastside Confirmation/Supplemental Sampling Events - March 2014 through August 2014 (Dataset 72g), BMI Common Areas Revision 1
James (JD) Dotchin	ERM on behalf of BRC	8/24/2015	Human Health Risk Assessment and Closure Report for the Western Hook-Development Sub-Area, Revision 1
James (JD) Dotchin	ERM on behalf of BRC	9/22/2015	Replacement pages for Human Health Risk Assessment and Closure Report for the Triangle Commercial Sub-Area, BMI Common Areas (Eastside)
James (JD) Dotchin	ERM on behalf of BRC	9/22/2015	Replacement pages for Human Health Risk Assessment and Closure Report for the Parcel 9 South Sub-Area, BMI Common Areas (Eastside)
James (JD) Dotchin	ERM on behalf of BRC	9/28/2015	Replacement pages for Human Health Risk Assessment and Closure Report for the Western Hook-Development Sub-Area, BMI Common Areas (Eastside)

Appendix B - Documents Received From NDEP

TO	FROM	DATE	SUBJECT
Mark Paris	Michael Friend	7/1/2015	NDEP's Approval on CAMU Final Closure Construction Quality Assurance Report, Phase V, Basic Remediation Company Corrective Action Management Unit, Henderson, Nevada
Mark Paris	Michael Friend	7/1/2015	NDEP's Approval on Addendum to North BMI Partial Final Closure Construction Quality Assurance Report, BMI Common Areas Remediation Project
Mark Paris	James (JD) Dotchin	7/7/2015	NDEP Bureau Changes Personnel Changes and Requirements for Submittal of Deliverables to NDEP and Distribution of Deliverables to Other Companies
Mark Paris	James (JD) Dotchin	7/17/2015	Human Health Risk Assessment and Closure Report for the Western Hook-Development Sub-Area BMI Common Areas (Eastside)
Mark Paris	James (JD) Dotchin	7/22/2015	No Further Action Determination APN 178-11-501-007 BMI Common Areas
Mark Paris	James (JD) Dotchin	9/1/2015	Human Health Risk Assessment and Closure Report for the Triangle Sub-Area BMI Common Areas (Eastside)
Mark Paris	James (JD) Dotchin	9/2/2015	Human Health Risk Assessment and Closure Report for the Parcel 9S BMI Common Areas (Eastside)



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.

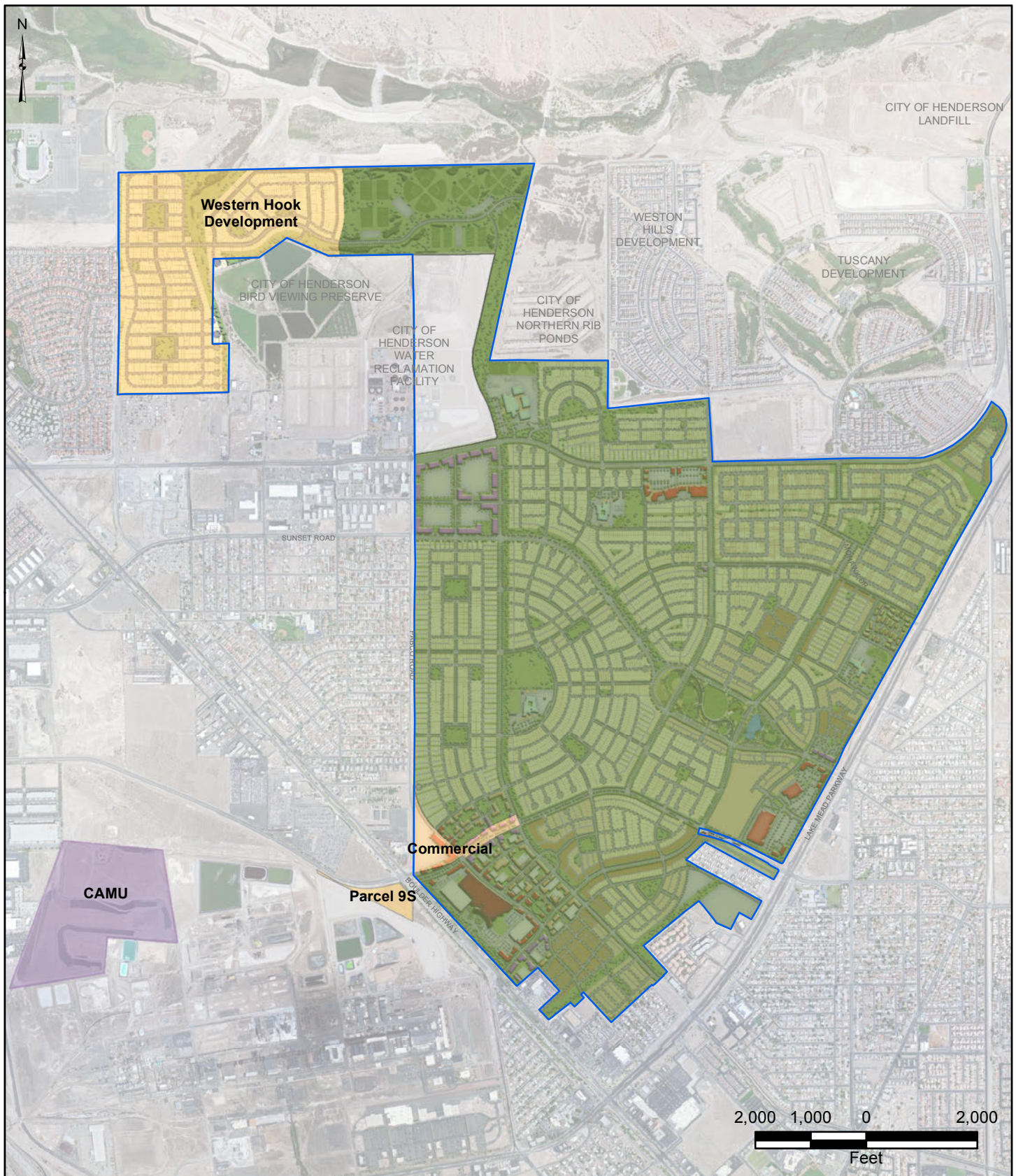
Removal of impacted soils from the site has been followed by iterative confirmation sampling for a suite of contaminants and a comprehensive health risk assessment – in order to ensure the site does not pose unacceptable health risks above background levels. Once the health risk assessment for a specific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

CoH WRF*

*Not part of the Closure Plan for soils.

Status

Closure Report In NDEP Review

NFA Obtained

BMI Common Areas (Eastside)
Clark County, Nevada

FIGURE

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



Prepared by
MKJ (ERM)



Date
06/04/15

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