



2015 JAN 13 AM 11 14

January 7, 2015

Mr. James Dotchin  
Nevada Division of Environmental Protection  
2030 E Flamingo Road, Suite 230  
Las Vegas, NV 89119

RE: **REVISED ENVIRONMENTAL COVENANT**

Dear Mr. Dotchin:

Basic Remediation Company (BRC) and the Nevada Division of Environmental Protection (NDEP) have been working for several months on a First Amendment to Environmental Covenant (Amendment). This Amendment was executed by BRC on October 15<sup>th</sup>, 2014 and sent to NDEP for execution before being recorded. Below is a summary of the proposed changes included in the Amendment.

1. The finished grade contours map, sheet 13 of 17 will be replaced with a new map reflecting the finished grade contours of the pond constructed in the Cadence Central Park – Phase I. Additional samples were taken in the footprint of the pond based on the *Sampling and Analysis Plan for Phase I Development Pond Area, BMI Common Areas (Eastside), Clark County, Nevada* submitted to NDEP on May 10, 2012. All results were considered in the **APPROVED** No Further Action Determination – Phase I Development Sub-Area dated March 27, 2013.
2. Clarification language was added to Section 13 of the recorded original Environmental Covenant. This additional language clarifies NFADs issued for the site, were for soils and vapor intrusion only. Additional investigations and any selected cleanup actions for groundwater may need to be completed.

BRC and NDEP have agreed to deed restrict the land uses for the Open Space, Sunset North and Triangle subareas (see Exhibit 1). The Human Health Risk Assessments (HHRAs) for these subareas will be completed assuming no future residential development will occur in these areas. BRC has agreed to record a deed restriction, in a form agreeable to both BRC and NDEP, which restricts these subareas ultimate land uses.

BRC and NDEP have agreed NFAD for soils for the Open Space subarea will be accomplished partially by importing clean material from other NFAD subareas of the Eastside site to raise the finished grade of portions of the Open Space subarea. The NFAD for the Open Space subarea will be based partially on borrow soil taken from subareas with NFADs and not soil samples taken from the Open Space subarea. This approach was adopted due to shallow groundwater in the area that may be impacted. BRC and NDEP agree the most reliable method to ensure groundwater cannot impact that open space subarea in the future is to create enough separation between the groundwater elevation and the NFAD soil. Additionally because the future land use for the subarea is open space only, the depth of the soil NFAD was reduced to 7 feet instead of the typical 10 feet. This was done because the deepest soil incursion is for the sewer only, typically installed 6 feet deep. The information supporting these decisions will be provided in the completed HHRA for the Open Space subarea.

Mr. James Dotchin, NDEP  
January 7, 2015  
Page 2

Finally, BRC has agreed to work with NDEP and the City of Henderson to develop a process to ensure that any building permit application complies with the recorded EC. All parties met in October 2014 to begin developing this process. BRC agrees to continue working with all parties to ensure the integrity of the NFADs and EC are maintained moving forward.

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Upon NDEP's approval of the Amendment, BRC will record the Amendment with the Clark County Assessor's office and provide a recorded copy to NDEP.

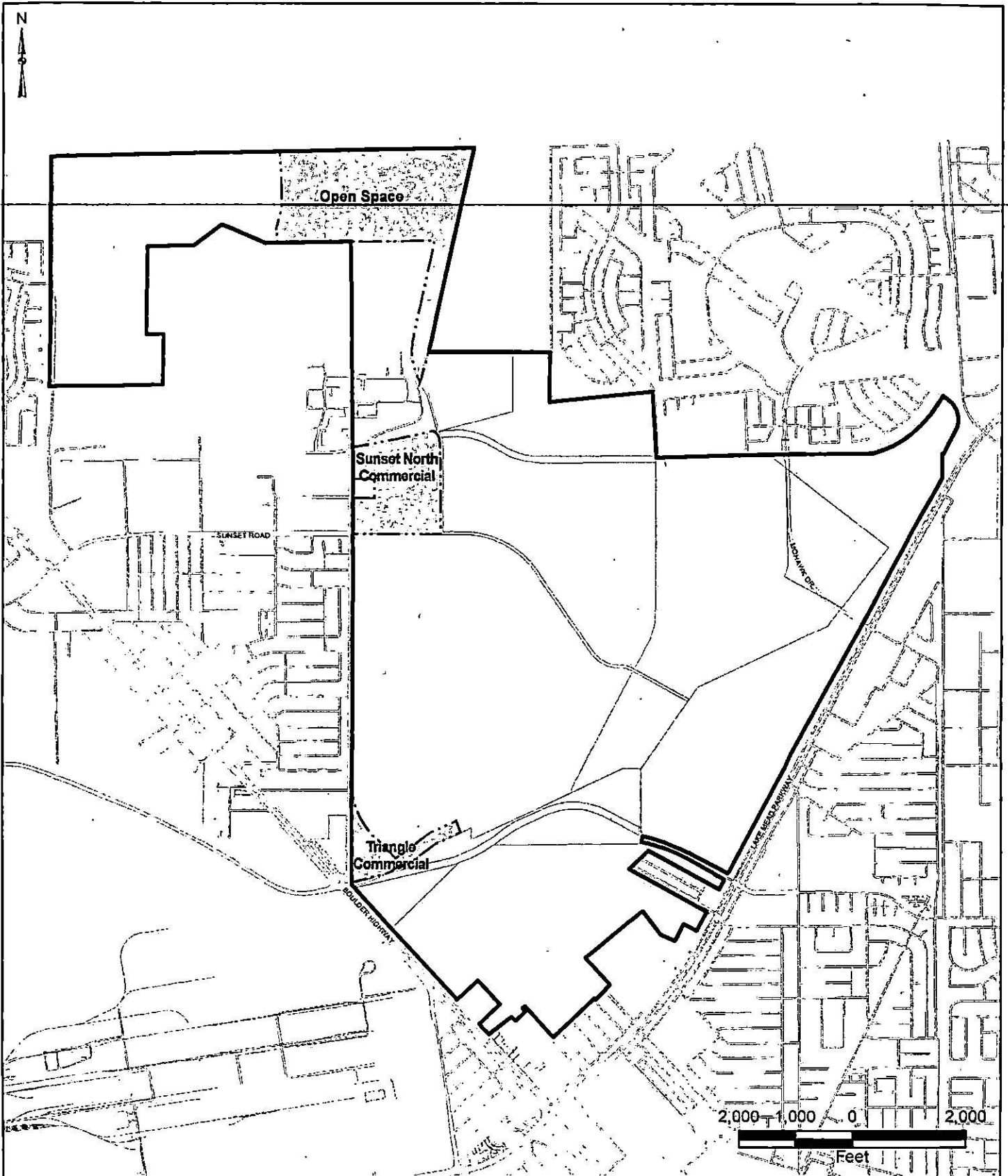
We look forward to working with NDEP moving forward to complete these above referenced items.



Sincerely,

BASIC REMEDIATION COMPANY



Mark Paris  
President and CEO



-  Site AOC3 Boundary
-  Eastside Sub-Areas

BMI Common Areas (Eastside)  
Clark County, Nevada

FIGURE 1  
SUB-AREA LOCATIONS



Prepared by  
MKJ (ERM)



Date  
01/07/15

JOB No. 0024275  
FILE: GIS/BRC/BAE\_EASTSIDE/FIGURE MKJ

OCT 20 2014

APNs:	179-05-301-004	161-36-301-001
	179-05-401-001	161-36-301-003
	179-05-501-002	161-36-601-004
	179-05-502-001	160-31-101-002
	179-06-301-004	160-31-101-003
	179-07-101-005	160-31-401-003
	179-07-201-006	160-31-401-004
	179-07-201-007	160-31-801-002
	179-07-701-012	179-07-501-006
	179-08-201-016	179-07-501-007
	179-08-101-001	179-07-501-008
	179-08-202-001	179-06-101-002
	161-36-101-002	179-07-801-017
	161-36-201-003	160-32-801-004
	161-36-201-005	

Recording requested by:  
Basic Remediation Company

Return to:  
Lee C. Farris, P.E.  
Basic Remediation Company  
875 West Warm Springs Road  
Henderson, Nevada 89011

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**FIRST AMENDMENT  
TO  
ENVIRONMENTAL COVENANT**

THIS FIRST AMENDMENT TO ENVIRONMENTAL COVENANT (“**First Amendment**”) is entered into by and between THE LANDWELL COMPANY, L.P., a Delaware limited partnership, and BASIC ENVIRONMENTAL COMPANY, LLC, a Nevada limited liability company (collectively, the “**Owner**”), and THE STATE OF NEVADA, DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES, DIVISION OF ENVIRONMENTAL PROTECTION (“**NDEP**”).

**Recitals:**

A. Owner and NDEP have entered into that certain Environmental Covenant which was recorded in the Official Records of Clark County, Nevada on February 3, 2011 as Instrument No. 201102030002818 (the "**Environmental Covenant**").

B. Owner and NDEP desire to amend the Environmental Covenant as set forth below.

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Environmental Covenant is amended as follows:

1. Sheet 13 of 17 in Exhibit "B" of the Environmental Covenant is hereby deleted in its entirety and replaced with a new Sheet 13 attached hereto as Exhibit "A" and incorporated herein by this reference.

2. The following paragraph shall be added as Section 13 of the Environmental Covenant:

"No Further Action Determination. NDEP and Owner acknowledge that discrete portions of the Site may be issued a No Further Action Determination ("NFAD") as Remedial Actions are completed for select environmental media. The parties agree that such a determination may be subject to continuing Work regarding Water Pollution Conditions, Operation and Maintenance, maintenance of existing Institutional Controls, and/or Efficacy Review."

3. Except as amended herein, the Environmental Covenant shall remain in full force and effect.

4. All capitalized terms not specifically defined herein shall have the same meaning as defined in the Environmental Covenant.

5. This First Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument. Copies of signed documents transmitted by facsimile or email with originals to follow shall have the same effect as originals, with the exception of documents for which an original is required for recording or other purposes.

[Signature Page Follows]

IN WITNESS WHEREOF, Owner and NDEP have caused this First Amendment to be executed this 16<sup>th</sup> day of October, 2014.

**OWNER:**

THE LANDWELL COMPANY, L.P.  
a Delaware limited partnership

By: Basic Land Company  
a Nevada corporation  
Its general partner

By: Mark Paris  
Mark Paris  
President and  
Chief Executive Officer

**NDEP:**

THE STATE OF NEVADA,  
DEPARTMENT OF CONSERVATION  
AND NATURAL RESOURCES,  
DIVISION OF ENVIRONMENTAL  
PROTECTION

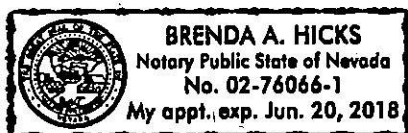
By: [Signature]  
Name: Colleen Crapps  
Its: Administrator

BASIC ENVIRONMENTAL  
COMPANY, LLC,  
a Nevada limited liability company

By: Mark Paris  
Mark Paris  
President and  
Chief Executive Officer

STATE OF NEVADA            )  
  ) ss:  
COUNTY OF CLARK         )

This instrument was acknowledged before me on October 16, 2014 by MARK PARIS, President and Chief Executive Officer of BASIC LAND COMPANY, acting as the general partner of THE LANDWELL COMPANY, L.P.



[Signature]  
Notary Public for said County and State  
Commission Expires: 06.20.2018

STATE OF NEVADA )  
 ) ss:  
COUNTY OF CLARK )

This instrument was acknowledged before me on October 16<sup>th</sup>, 2014 by MARK PARIS, as President and Chief Executive Officer of BASIC ENVIRONMENTAL COMPANY, LLC.



*Brenda Hicks*

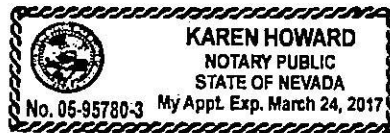
Notary Public for said County and State  
Commission Expires: 06-20-2018

STATE OF NEVADA )  
 ) ss:  
COUNTY OF Cason City )

This instrument was acknowledged before me on January 9<sup>th</sup>, <sup>2015</sup>~~2014~~ by Colleen Cripps, Administrator of THE STATE OF NEVADA, DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES, DIVISION OF ENVIRONMENTAL PROTECTION.

*Karen Howard*

Notary Public for said County and State  
Commission Expires: March 24, 2017

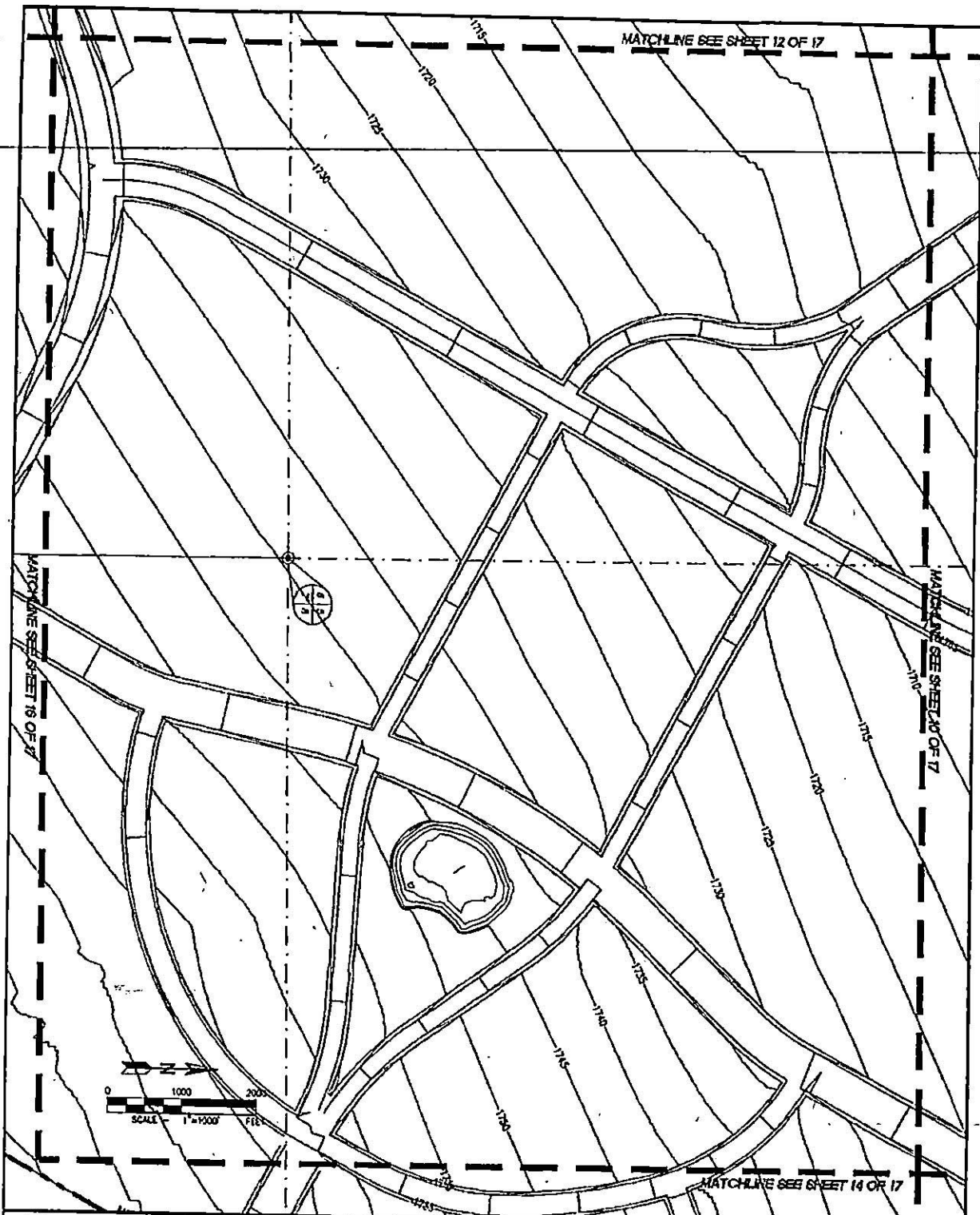


**EXHIBIT "A"**

New Sheet

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**S-I-G**  
**SLATER HANIFAN GROUP**  
 CONSULTING ENGINEERS & PLANNERS  
 5740 S. ARVILLE STREET #216, LAS VEGAS, NV 89118  
 PHONE (702) 284-5300 FAX (702) 284-5399

**LANDWELL**  
**MASS ROUGH GRADING PLAN**

DATE: 2/2/2011	PROJECT NO. TLC901-006
DRAFTER:	
DESIGNER:	
CHECKED:	SHEET 13 OF 17

RECEIVED

JAN 25 2011

ENVIRONMENTAL PROTECTION

APN #'s	179-05-301-004	161-36-301-001
	179-05-401-001	161-36-301-003
	179-05-501-002	161-36-601-004
	179-05-502-001	160-31-101-002
	179-06-301-004	160-31-101-003
	179-07-101-005	160-31-401-003
	179-07-201-006	160-31-401-004
	179-07-201-007	160-31-801-002
	179-07-701-012	179-07-501-006
	179-08-201-016	179-07-501-007
	179-08-101-001	179-07-501-008
	179-08-202-001	179-06-101-002
	161-36-101-002	179-07-801-017
	161-36-201-003	160-32-801-004
	161-36-201-005	

Recording requested by:  
Basic Remediation Company

Return to:  
Lee C. Farris, P.E.  
Basic Remediation Company  
875 West Warm Springs Road  
Henderson, Nevada 89011

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### ENVIRONMENTAL COVENANT

THIS ENVIRONMENTAL COVENANT is entered into by and among THE LANDWELL COMPANY, L.P., a Delaware limited partnership, and BASIC ENVIRONMENTAL COMPANY, LLC, a Nevada limited liability company (collectively as "Owner"), and THE STATE OF NEVADA, DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES, DIVISION OF ENVIRONMENTAL PROTECTION ("NDEP").

#### Recitals:

(A) The undersigned execute this Environmental Covenant for the uses and purposes outlined in the Uniform Environmental Covenants Act, as codified in NRS 445D.010 et. seq. (the "Act").

(B) The Owner is the record owner of certain real property more particularly described below (the "Property").

(C) Owner desires to provide notice of the existing conditions and covenants and to bind all parties having any right, title or interest in the Property, or any portion of it, their heirs, successors and assigns and any persons using the Property, as discussed in Item 5 below.

NOW THEREFORE,

1. Purpose of the Instrument. This instrument is an Environmental Covenant executed pursuant to the Act.

2. Binding Covenant. Owner hereby grants this Environmental Covenant to the NDEP and declares that the Property, as described in the legal description below, shall herein after be bound by, held, sold, and conveyed subject to the following requirements set forth in paragraph 5 below, which shall run with the Property in perpetuity and be binding on Owner and all parties having any right, title or interest in the Property, or any part thereof, its heirs, successors and assigns, and any persons using the land, as described herein. As used in this Covenant, the term "Owner" means the record owner of the Property and, if any, any other person or entity otherwise legally authorized to make decisions regarding the transfer of the Property or placement of encumbrances on the Property, other than by exercise of eminent domain.

3. Legal Description of the Property. The Property is specifically described in Exhibit "A" attached hereto and incorporated herein by this reference.

4. Description of Contamination and Remedy. The Property has been remediated in accordance with the NDEP-approved Closure Plan dated May 10, 2007. The NDEP is concurrently issuing, with the recording of this document, a Soils No Further Action Determination Letter for the Property indicating no further assessment or remediation is required on the Property.

5. Activity and Use Limitations. Based on knowledge of the Property's historical contamination patterns, the extent of remediation, and sampling thereafter, the Property soils generally beneath ten (10) feet below ground surface have not been required to and therefore have not been extensively evaluated to date. Prior to engaging in any grading, digging, construction, and/or building at a depth below the finished grade of nine (9) feet (as referenced in the Rough Grading Plan attached to this Environmental Covenant as Exhibit "B"), the Property Owner shall notify NDEP by certified mail return receipt requested. The Property Owner shall not excavate beneath ten (10) feet below the ground surface without NDEP approval of a Soil Management Plan prepared by the Property Owner.

6.  Holders. The following persons and/or entities are holders for this Environmental Covenant: NDEP.

7.  Name and Location of Administrative Record of Environmental Response Project. State of Nevada, NDEP, 901 S. Stewart St., Carson City, NV, 89701.

8.  Notice Requirements. Any documentation or communication required under this Covenant shall be sent or directed to:

State of Nevada  
Division of Environmental Protection  
Bureau of Corrective Actions  
901 S. Stewart St.  
Carson City, NV 89701

ATTN: Remediation Branch Supervisor  
Reference: Project # H-000688

9.  Notices to Lessees. Owner agrees to incorporate, either in full or by reference, the restrictions in this Covenant in any leases, licenses, or other instruments granting a right to use the Property.

10.  Inspections. The NDEP shall have the right of entry to the Property at reasonable times with prior notice for the purpose of determining compliance with the terms of this Covenant. Nothing in this Covenant shall impair any other authority the NDEP may otherwise have to enter and inspect the Property.

11.  No Liability. The NDEP does not acquire any liability under Nevada law by virtue of accepting this Covenant.

12.  Enforcement. The NDEP may enforce the terms of this Covenant pursuant to the Act. Included in the statutory rights and remedies afforded to the NDEP, is the ability to file suit in district court to enjoin actual or threatened violations of this Covenant.

The parties have caused this Covenant to be executed this 24<sup>th</sup> day of January, 2011.

**THE LANDWELL COMPANY, L.P.**  
a Delaware limited partnership

By: Basic Land Company  
a Nevada corporation  
its general partner

LCF By: Mark Paris  
Mark Paris  
President and Chief  
Executive Officer

**THE STATE OF NEVADA,**  
**DEPARTMENT OF CONSERVATION**  
**AND NATURAL RESOURCES,**  
**DIVISION OF ENVIRONMENTAL**  
**PROTECTION**

By: Colleen Cripps  
Name: Colleen Cripps, Ph.D.  
Title: Administrator

**BASIC ENVIRONMENTAL**  
**COMPANY LLC, a Nevada limited**  
liability company

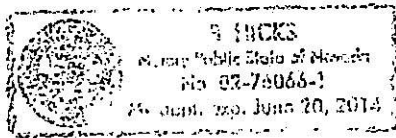
LCF By: Mark Paris  
Mark Paris  
President and Chief Executive Officer

STATE OF NEVADA            )  
  ) ss:  
COUNTY OF CLARK         )

This instrument was acknowledged before, a Notary Public, by MARK PARIS, President and Chief Executive Officer of THE LANDWELL COMPANY, L.P. and BASIC ENVIRONMENTAL COMPANY LLC this 24<sup>th</sup> day of January, 2011.

Brandal

Notary Public for said County and State  
Commission Expires: June 20, 2014



STATE OF NEVADA            )  
  ) ss:  
COUNTY OF Clark         )