

QUARTERLY PROGRESS REPORT

AS REQUIRED BY

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

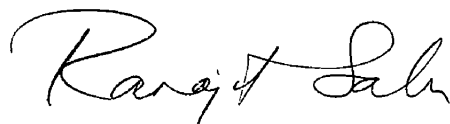
SECTION XIII, PARAGRAPHS 1 and 2.

SUBMITTED BY

BASIC REMEDIATION COMPANY

DATED OCTOBER 15, 2014

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.



10/15/14

Dr. Ranajit Sahu, C.E.M. (No. EM-1699, Exp. 10/07/2015)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, 2014.

2. Actions Taken Towards Achieving Compliance

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.

The CAMU (Phase V only) remains open in order to accept wastes as needed and will remain open till remediation activities cease and the requisite soils NFAs are obtained from the NDEP. Although characterization and removal of wastes from the Eastside are now complete, as a matter of efficiency, the final placement of these wastes into the CAMU will be conducted once NDEP approves of the NFAs (or agrees that the NFAs will be obtainable without any further field scraping based on the final round of confirmation samples already collected) for the remaining sub-areas. BRC continued to implement, as needed, various maintenance tasks at the CAMU during this period, and conducted periodic leachate collection of the various CAMU sumps, as needed.

BRC completed the second 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 was submitted to the NDEP for approval.

During this period, BRC submitted additional documents, as requested by the NDEP, for the renewal of the CAMU RAP. The public notice for the RAP renewal was issued and completed. BRC and NDEP continue to discuss financial assurance for the CAMU before the RAP can be issued.

Additionally, BRC: (a) completed a iterative scraping followed by a round of field sampling in the Hook and Triangle sub-areas; (b) submitted the HRA for the Eastside Main sub-area to the NDEP for review; (c) continued development of the Open Space HRA; (d) began data assessment for the Parcel 9 South sub-area; (e) submitted a workplan to the NDEP (and obtained NDEP approval) for a round of shall groundwater sampling in the Eastside Main area; and (f) 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.

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

3. Sampling Conducted

BRC collected various samples in support of the remediation effort including confirmation and re-confirmation soil samples as noted above in targeted portions of the Hook and Triangle sub-areas.

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: obtaining the NFA for the Eastside sub-area; obtaining NDEP concurrence that no further field scraping is required based on the final round of confirmation samples already obtained; completing waste placement into the CAMU; initiating closure of the CAMU; submitting the HRAs for the Open Space, Hook, Triangle, and Parcel 9 South sub-areas to the CAMU and obtaining respective NFAs for these sub-areas. In addition, BRC hopes to resolve all issues and obtain the RAP for the CAMU; continue preparations for the Eastside groundwater sampling event planned in early 2015 and continue policy and technical discussions with the NDEP regarding various groundwater issues for the Eastside including definition of ungradient values for various contaminants.

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 progress.

6. Completions, Delays and Mitigations

While the soil remediation effort is nearing an end, 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	7/8/2014	Data Validation Summary Report for the 2014 CAMU Annual Long-Term Groundwater Monitoring Event – April 2014 (Dataset 74b), Rev 0
Michael Friend	ERM on behalf of BRC	9/3/2014	2014 CAMU Groundwater Monitoring Report, BRC Corrective Action Management Unit (CAMU) Area Rev 0

Appendix B - Documents Received From NDEP

TO	FROM	DATE	SUBJECT
Mark Paris	Michael Friend	8/14/2014	NDEP's Reponse to: DVSR 2014 CAMU Annual Long-Term Groundwater Monitoring Event-April 2014 (Dataset 74b) Dated: July 8, 2014
Mark Paris	James (JD) Dotchin	8/29/2014	Cadence Parcel E Wells Relocations (email) Dated: August 16, 2014



BMI Common Areas Factsheet 2014

Basic Remediation Company (BRC), working under the oversight of the Nevada Division of Environmental Protection (NDEP), is nearing completion of soil remediation activities at the BMI Common Areas (hereafter “site”) as shown in the accompanying figure. As portions of the soils at the site are/have been gradually remediated, redevelopment activities have also commenced. Ultimately, the entire 2,200-acre site will be restored and redeveloped as a mixed-use, master-planned community.

Beginning in 1991 and continuing for the next 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.

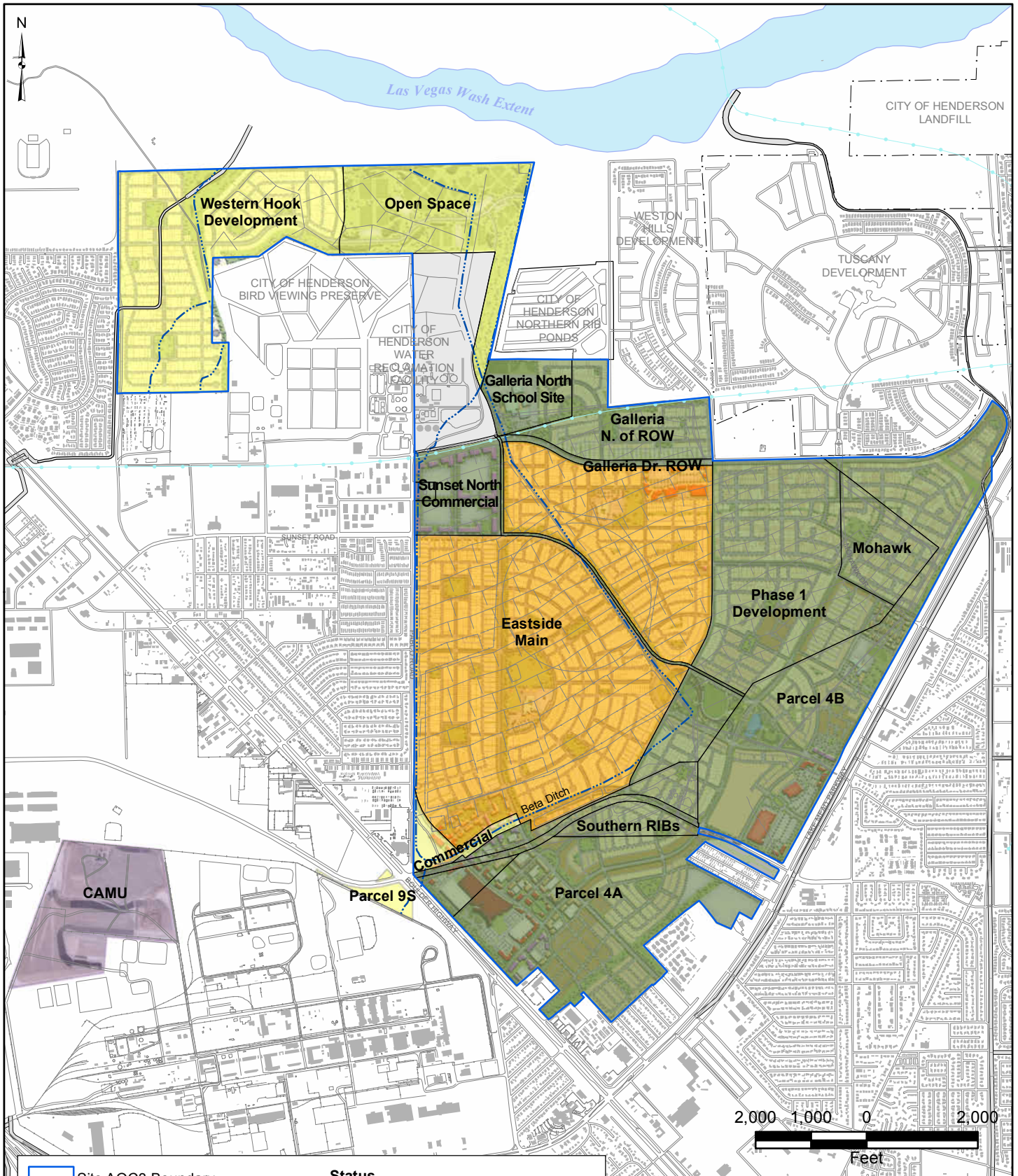
Removal of impacted soils from the site is followed by iterative confirmation sampling for a suite of contaminants and a comprehensive health risk assessment – in order to ensure the site will not pose unacceptable health risks above background levels. Once the health risk assessment for a specific portion 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 by the end of 2014 or shortly thereafter.

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:

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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	Status
Ditches	Closure Report In Preparation
Flood Conveyance Channels	Closure Report In NDEP Review
Laterals	NFA Obtained
CoH WRF*	

*Not part of the Closure Plan for soils.

BMI Common Areas (Eastside)
Clark County, Nevada

FIGURE

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

Prepared by: MKJ (ERM) Date: 08/12/14 JOB No. 0064276
FILE: GIS/BC/GENERAL/SUB-AREAS.MXD