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June 4, 2015

Stakeholder Communication – NAVFAC Southwest

Department of the Navy
Naval Facilities Engineering Command Southwest
Attn: Code JE20.KF
1220 Pacific Highway
San Diego, California 92132-5190

Subject: Comments on the Draft Environmental Assessment for the Proposed Construction, Operation, and Decommissioning of a Solar Photovoltaic System at Naval Air Station Lemoore, California
Historical Pipeline Portfolio–Bakersfield to Richmond

To Whom It May Concern:

On behalf of Chevron Environmental Management Company (CEMC), Leidos Engineering, LLC (Leidos; CEMC contract consultant) recently reviewed the Draft Environmental Assessment (EA) for the Proposed Construction, Operation, and Decommissioning of a Solar Photovoltaic System at Naval Air Station Lemoore, California (NASL). The information contained in this letter may help you in subsequent planning efforts to understand something about Chevron's former pipeline operations in Kings and Fresno counties, as residual weathered crude oil, abandoned pipeline, and asbestos-containing materials (ACM) could potentially be encountered during subsurface construction activities in this former pipeline right of way (ROW).

A portion of the former Old Valley Pipeline (OVP) existed in the vicinity of the proposed project area. This formerly active pipeline was constructed in the early 1900s and carried crude oil from the Kern County Oil Fields (in and near Bakersfield) to the San Francisco Bay Area. Pipeline operations for the OVP ceased in the 1940s, at which point the pipeline was taken out of commission. The degree and method of decommissioning varied: in some instances the pipeline was removed, while in others it remained in place. Because this pipeline has been decommissioned, with the majority of pipeline having been removed, it is not readily identified as underground utilities through the Underground Service Alert North System or utility surveys. Figure 1 illustrates the location of the former OVP ROW with respect to potential solar PV system sites at NASL. Figures 2 through 4 illustrate the location of the former OVP ROW with respect to Alternative 1. Figure 5 illustrates the location of the former OVP ROW with respect to Alternative 2. The location of the pipeline shown on Figures 1 through 5 is based on historical as-built drawings and the approximated positional accuracy of the alignments is generally +/-50 feet. The OVP was installed at depths of up to 10 feet below ground surface. The steel pipeline was typically encased in a protective coating composed of coal tar and ACM.

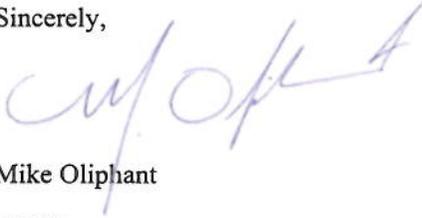
Working under the direction of State regulatory agencies, CEMC conducted risk assessments at numerous locations with known historical crude-oil release points along the former OVP. Analytical results from these risk assessments indicated that the crude-contaminated soil was non-hazardous. Accordingly, it is likely that if soil affected by the historical release of crude oil from this former pipeline is encountered during construction activities it may be

Department of the Navy – NAVFAC Southwest
May June 4, 2015
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reused as backfill on site. Properly abandoned crude-oil pipeline may be left in the ground. Parties conducting construction activities in the vicinity of this former pipeline ROW may wish to use the information provided in this letter to help prepare for the possibility of encountering abandoned pipeline and pipeline-related ACM during the course of their work.

For more information regarding this historic pipeline, please visit <http://www.hppinfo.com/>. If you would like additional information, or would like to request more detailed maps, please contact Leidos consultants Mike Hurd (michael.t.hurd@leidos.com) at (510) 466-7161 or Tan Hoang (tan.t.hoang@leidos.com) at (916) 979-3742.

Sincerely,



Mike Oliphant

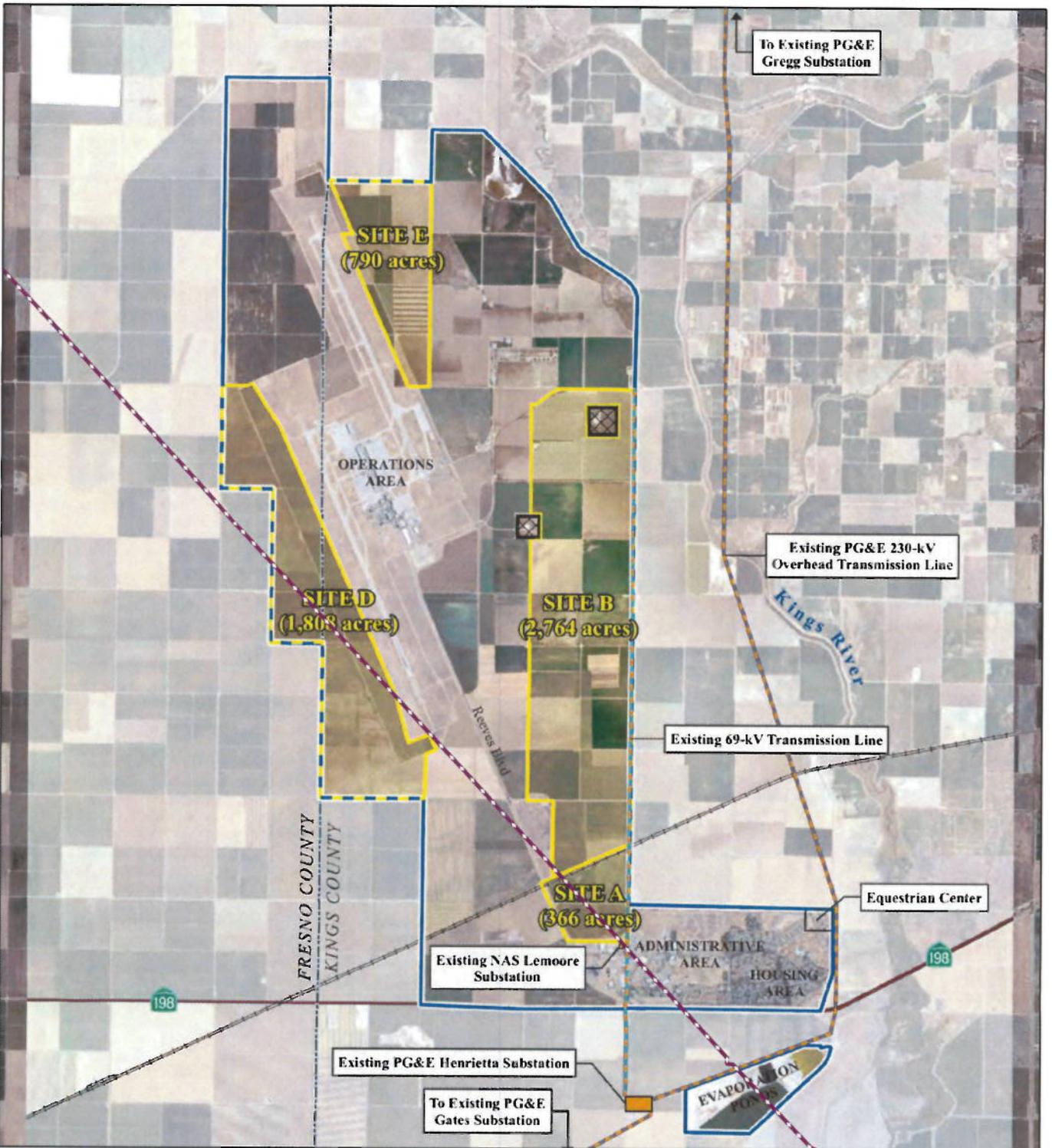
MO/klg

Enclosures:

- Figure 1. Historical Pipeline Right of Way – Potential Solar PV System Sites
- Figure 2. Historical Pipeline Right of Way – Alternative 1 (Figure 2-1)
- Figure 3. Historical Pipeline Right of Way – Alternative 1 Option (Figure 2-2A)
- Figure 4. Historical Pipeline Right of Way – Alternative 1 Option (Figure 2-2B)
- Figure 5. Historical Pipeline Right of Way – Alternative 2 (Figure 2-3)

cc: Mr. Mike Hurd – Leidos
1000 Broadway, Suite 675, Oakland, California 94607
Mr. Roman Benitez – Naval Air Station Lemoore
750 Enterprise Avenue, NAS Lemoore, California 93246

FILE: Q:\HPP\BTR\MANAGEMENT\STRATEGIC\KINGS VALLEY AIR STATION\EMOORE\PROJECTS\FIGURE 1\05SEP_FIG1_NAS_L_SOLAR_2015_05.MXD



Map is compiled from data sources that vary in accuracy. Features may not be displayed in exact relationship to one another. Do not rely on map for legal information or underground work.



- Historical Old Valley Pipeline (OVP)
- Potential Solar PV Site
- Existing 69-kV Overhead Transmission Line
- Existing PG&E 230-kV Overhead Transmission Line
- Existing Substation
- Transmitter Area
- NAS Lemoore Boundary
- County Line
- State Route
- Railroad

HISTORICAL PIPELINE RIGHT OF WAY

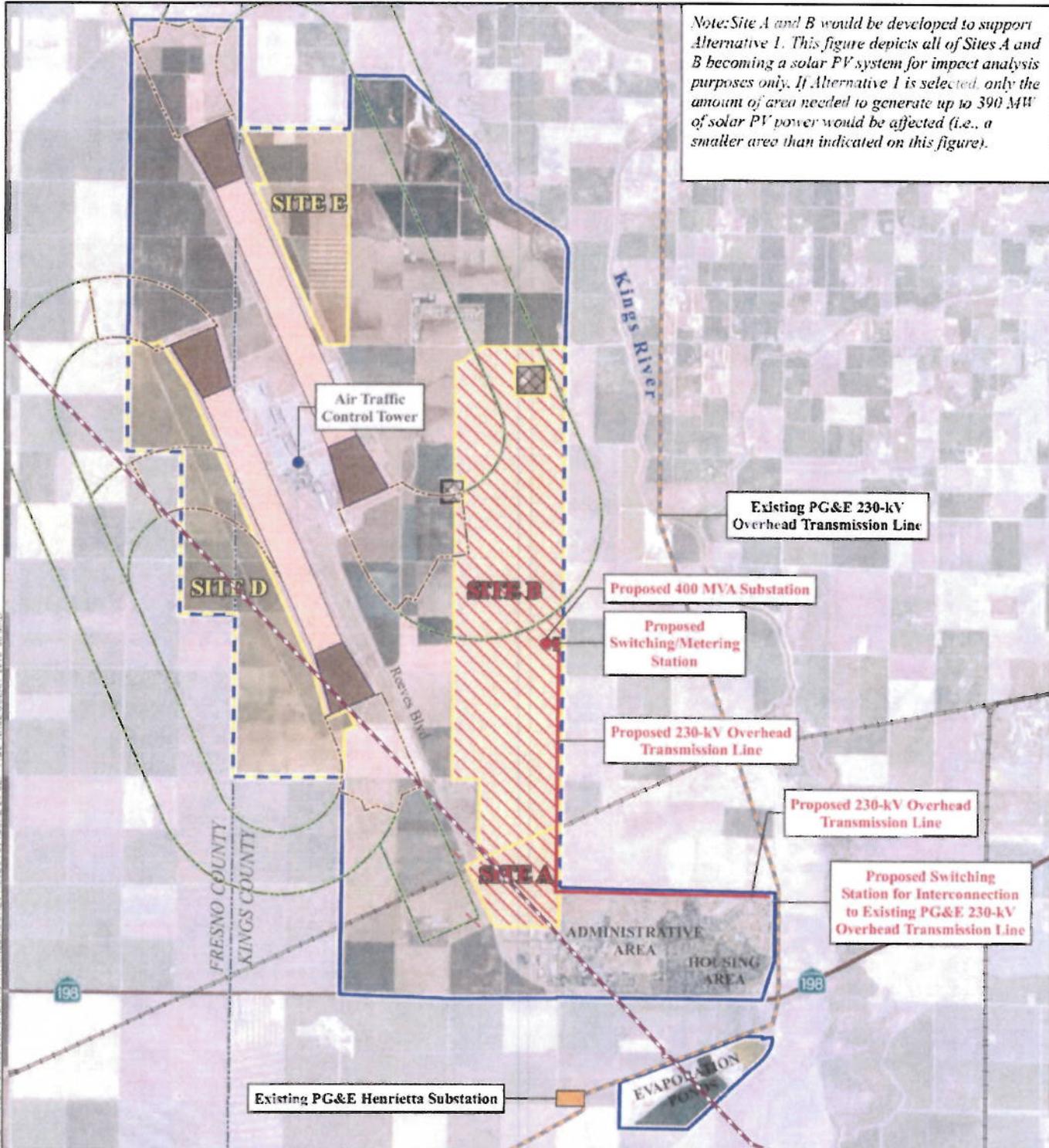
**POTENTIAL SOLAR PV SYSTEM SITES
NAS Lemoore, California**

DATE: 5/26/2015 ANALYST: HOANGTA FIGURE:



1

Note: Site A and B would be developed to support Alternative 1. This figure depicts all of Sites A and B becoming a solar PV system for impact analysis purposes only. If Alternative 1 is selected, only the amount of area needed to generate up to 390 MW of solar PV power would be affected (i.e., a smaller area than indicated on this figure).



FILE: \\S:\PROJECTS\NAS LEMOORE\GIS\ALTERNATIVE 1\PROJECTS\NAS LEMOORE\PROJECTS\FIGURE 2-1\FIGURE 2-1-1.MXD

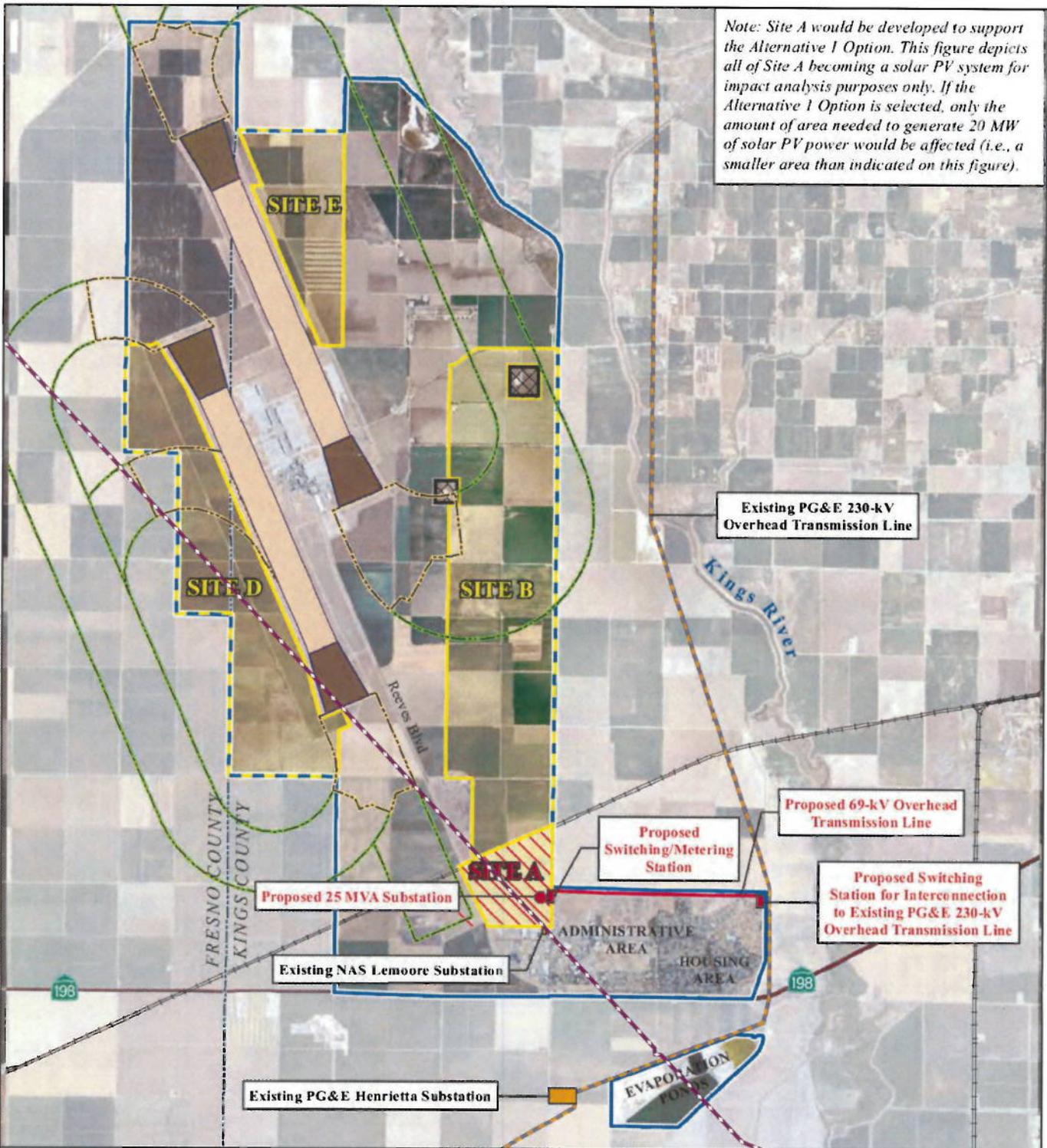
Map is compiled from data sources that vary in accuracy. Features may not be displayed in exact relationship to one another. Do not rely on map for legal information or underground work.



- | | | | |
|-------------------------------|--------------------------------|--------------------------|---|
| Alternative 1 Features | | Existing Features | |
| | Potential Solar PV Site | | NAS Lemoore Boundary |
| | Substation | | Existing PG&E 230-kV Overhead Transmission Line |
| | Switching/Metering Station | | Transmitter Area |
| | New Overhead Transmission Line | | Primary Surface |
| | Other Potential Solar PV Site | | Clear Zone |
| | | | APZ-1 |
| | | | APZ-2 |
| | | | County Line |
| | | | State Route |
| | | | Railroad |

HISTORICAL PIPELINE RIGHT OF WAY		
ALTERNATIVE 1 (FIGURE 2-1) NAS Lemoore, California		
DATE: 5/26/2015	ANALYST: HOANGTA	FIGURE:
		2

Note: Site A would be developed to support the Alternative 1 Option. This figure depicts all of Site A becoming a solar PV system for impact analysis purposes only. If the Alternative 1 Option is selected, only the amount of area needed to generate 20 MW of solar PV power would be affected (i.e., a smaller area than indicated on this figure).



FILE: C:\P\BTR\MANAGEMENT\STRATEGYPOTENTIAL PROJECTS\KINGS VALLEY\AIR STATION\EMOORE\PROJECTS\FIGURE 2\SEP_FIG3_NAS1_SOLAR_2015_05.MXD

Map is compiled from data sources that vary in accuracy; features may not be displayed in exact relationship to one another. Do not rely on map for legal information or underground work.



- | | | | |
|--------------------------------|---|--------------------------|-------------|
| Alternative 1 Features | | Existing Features | |
| Potential Solar PV Site | NAS Lemoore Boundary | Clear Zone | APZ-1 |
| Substation | Existing PG&E 230-kV Overhead Transmission Line | APZ-2 | County Line |
| Switching/Metering Station | Transmitter Area | State Route | Railroad |
| New Overhead Transmission Line | Primary Surface | | |
| Other Potential Solar PV Site | | | |

HISTORICAL PIPELINE RIGHT OF WAY

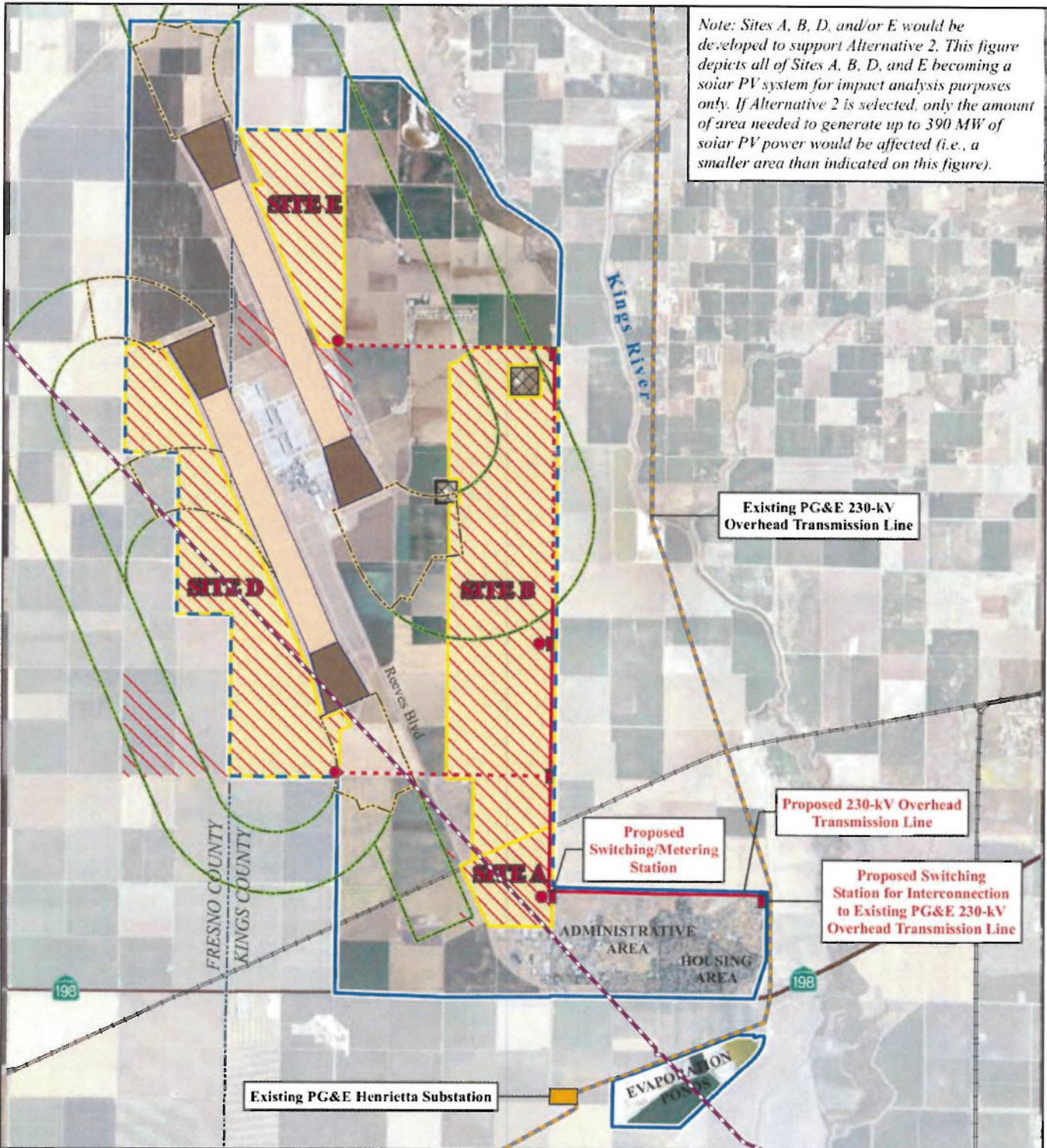
ALTERNATIVE 1 OPTION (FIGURE 2-2A)
NAS Lemoore, California

DATE: 5/26/2015 ANALYST: HOANGTA FIGURE:



3

Note: Sites A, B, D, and/or E would be developed to support Alternative 2. This figure depicts all of Sites A, B, D, and E becoming a solar PV system for impact analysis purposes only. If Alternative 2 is selected, only the amount of area needed to generate up to 390 MW of solar PV power would be affected (i.e., a smaller area than indicated on this figure).



Map is compiled from data sources that vary in accuracy. Features may not be displayed in exact relationship to one another. Do not rely on map for legal information or underground work.



- | | | | |
|---|--|---|--|
| <p>— Historical Old Valley Pipeline (OVP)</p> <p>Alternative 2 Features</p> <ul style="list-style-type: none"> Potential Solar PV Site Substation Switching/Metering Station New Overhead Transmission Line New Underground Transmission Line | | <p>Existing Features</p> <ul style="list-style-type: none"> NAS Lemoore Boundary Existing PG&E 230-kV Overhead Transmission Line Transmitter Area Primary Surface Clear Zone APZ-1 APZ-2 County Line State Route Railroad | |
|---|--|---|--|

HISTORICAL PIPELINE RIGHT OF WAY

**ALTERNATIVE 2 (FIGURE 2-3)
NAS Lemoore, California**

DATE: 5/26/2015 ANALYST: HOANGTA FIGURE:



5

<u>ITEM</u>	<u>ESTATE</u>	<u>ACRES</u>
<u>13</u>	Easement	3.636
<u>15</u>	Easement	42.142
<u>16</u>	Easement	
<u>18</u>	Easement	9.74
<u>24</u>	Easement	
<u>25</u>	Easement	
<u>26</u>	Easement	26.826
<u>27</u>	Easement	2.37
<u>29</u>	Easement	4.462
<u>33</u>	Agreement	18
<u>34</u>	Agreement	39.96
<u>35</u>	Agreement	149
<u>37</u>	Easement	4.09

<u>GRANTEE & RECORD DOCUMENT</u>	<u>DATE ACQUIRED</u>
County of Kings INST No.5905, Book 589, Page 482, O.R. Kings Co.	06/15/1954
Paacific Telephone and Telegraph Company Book 288, Page 370, O.R. Kings Co.	01/09/1958
Pacific Gas and Electric Company INST No. 4951, Book 557, Page 194, O.R. Kings Co.	05/18/1958
Wedderburn Brothers CA-1836, Book 4021, Page 1, O.R. Kings Co.	06/01/1960
Pacific Gas and Electric Company Book 698, Page 152, Amended Book 801, Page 379, O.R. Kings Co.	01/13/1958 02/14/1962
Pacific Telephone and Telegraph Company Book 698, Page 152, Amended Book 801, Page 379, O.R. Kings Co.	01/13/1958 02/14/1962
Southern Pacific Company Book 698, Page 152, Amended Book 801, Page 379, O.R. Kings Co.	01/13/1958 02/14/1962
Pacific Gas and Electric Company INST No. 9132, Book 810, Page 545, O.R. Kings Co. Noy(R) 62245	06/21/1962
The Caminol Company INST. No. 15128, Book 863, Page 918, O.R. Kings Co. Noy(R) 69223	11/24/1964
Dept of the Interior, Bereau of Reclamation Kings Co. NF(R) 23051	04/25/1974
Dept of the Interior, Bereau of Reclamation Kings Co. NF(R) 32675	12/08/1975
Dept of the Interior, Bereau of Reclamation Kings Co. NF(R) 32756	06/10/1976
Pacific Gas and Electric Company No Recording Information Available	03/08/1952

DEPARTMENT OF THE NAVY
GENERAL PURPOSE OUTLEASE

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All correspondence in connection with
this contract should include reference
to (Contract No.) _____
Installation/UIC _____

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**LEASE
BETWEEN
THE UNITED STATES OF AMERICA
AND**

(NAME OF LESSEE)

THIS LEASE, executed this ____ day of _____ 2015, by and between THE UNITED STATES OF AMERICA, acting by and through the Secretary of the Navy (“**Government**”), and _____ (“**Lessee**”). (Government and Lessee may sometimes jointly be referred to as the “**Parties**”).

W I T N E S S E T H:

WHEREAS, the Leased Premises, as defined below, covered by this Lease is under the control of the Secretary of the Navy (the “Navy”); and

WHEREAS, the Leased Premises is not excess property as defined in section 3 of the Federal Property and Administrative Services Act of 1949, as amended, (40 U.S.C. § 102); and

WHEREAS, the Secretary of the Navy, pursuant to the provisions of 10 U.S.C. § 2667, has determined that the proposed use of the Leased Premises, subject to the terms and conditions of this Lease, will promote the national defense or serve the public interest.

NOW THEREFORE, in consideration of the terms, covenants, and conditions in this Lease, Government and Lessee agree as follows:

1. **LEASED PREMISES.** Government leases, rents, and demises to Lessee, and Lessee hires and rents from Government, the Leased Premises, as more particularly described and/or depicted in **Attachment A** (the “Leased Premises”), together with all improvements and all related Personal Property as described and/or listed in **Attachment A**, and with all rights of access to the Leased Premises for ingress, egress, parking, and utilities as provided under Paragraphs 10 and 28 below.
2. **TERM.** The term of this Lease shall begin on _____ and end on _____, unless sooner terminated under Paragraph 14.
3. **CONSIDERATION.**
 - 3.1. **Cash.** Lessee shall pay rent in the amount as noted in **Attachment D**, payable in advance on the first day of each _____ at the rate as noted in **Attachment D**, by valid check or money order and made payable to “Treasurer of the United States,” citing the Contract Number. Tenant assumes the risk of using the U.S. Postal Service or other delivery service. The check must be delivered to the address found in Paragraph 18.

- 3.2. **In Kind.** In lieu of Lessee paying Rent either totally or partially in cash pursuant to Paragraph 3.1, Government will credit in-kind consideration towards Lessee’s rent obligation pursuant to the terms herein and in accordance with 10 U.S.C. §2667.

- 3.2.1. The Government acknowledges that Rent for the full term of this Lease will have been received by in-kind consideration upon full commercial operation of the renewable energy generation asset project, as technically described in **Attachment B** and satisfaction of all other Lease terms, including the contingent provision of power, as described in Paragraph 3.2.5. Acceptance of in-kind consideration as payment for all Rent for the full term of this Lease will occur only through written approval from the Government, and that approval shall be made in the form of a written letter by the Real Estate Contracting Officer (“RECO”), which will not be unreasonably withheld or delayed. The performance of the project as described in **Attachment B** and the terms of this lease will be subject to Government audit. Should the audited performance not meet design criteria in **Attachment B** or the intent of this lease, Lessee’s rent obligation will be only credited for the portion meeting performance standards.

3.2.2 Nothing in this Lease shall preclude Lessee from contracting with a third party for the work. Lessee shall require any contractor to procure a penal bond in an amount not less than the estimated cost of the work contracted for. Prior to commencing the proposed work, Lessee shall be solely responsible for obtaining any environmental permits required, independent of any existing permits. Copies of all required construction permits shall be delivered to the Government.

3.2.3. Government will retain the right of technical review of any proposed work to be performed for use as in-kind consideration, including work to be performed in **Attachment B**, and any proposed changes thereto. A Government representative may oversee the work solely for the benefit of Government and confirm satisfactory completion to the Commander/Commanding Officer. The Real Estate Contracting Officer (RECO) must provide a written final acceptance of the work performed in order for Lessee to receive rent reduction credit for the work performance.

3.2.4. Upon termination of this Lease for any reason, Lessee shall not be entitled to a refund of its costs paid for a project the performance of which has not been approved by the engineer of Government, and a final accounting will be performed and the balance of any rent accrued and still payable to Government will be due on demand by valid check or money order. Notwithstanding termination, Government reserves the right to have a final accounting performed at any time during the course of the lease term and request that the value of any rent accrued up to that date and not already contractually obligated to any specific project or service to be performed, be paid by valid check or money order to Government on demand.

3.2.5. During a regional outage event whereby power generated on the Leased Premises cannot be transmitted to the Lessee's public utility power delivery system, Lessee's standard operating procedure is to isolate the solar energy system from the Lessee's power delivery system; however, if Government has previously provided Lessee written notice of its technical ability to receive such power, then Lessee shall permit the solar energy system to continue to deliver power to (Installation Name) instead of to the public utility power delivery system until regional service is restored..

4. USE OF LEASED PREMISES.

4.1. The purpose for which the Leased Premises may be used, in the absence of prior written approval by Government, is for renewable energy generation, storage and distribution to the DON installation and the commercial power grid by construction and operation of a project as described in **Attachment B** and for no other purpose. Lessee understands and acknowledges that this Lease is not, and does not constitute, a commitment by Government with regard to any fee title conveyance of the Leased Premises, in whole or in part, to Lessee or any agency, instrumentality, or affiliate, or to any sublessee.

4.2. Lessee shall not undertake any activity that may affect a historic or archeological property, including excavation, construction, alteration, or repairs of the Leased Premises, without the prior approval of Government and compliance with section 106 of the National Historic Preservation Act 54 U.S.C. §306108, and the Archeological Resources Protection Act of 1979 (16 U.S.C. §470aa). Buried cultural materials may be present on the Leased Premises. If those materials are encountered, Lessee shall stop work immediately and notify Government. Government has no knowledge of any historical or archeological property on the Leased Premises; in the event that it becomes aware of any, Government will immediately notify Lessee.

5. ASSIGNMENT AND SUBLEASING.

5.1. Lessee shall neither transfer, assign, nor sublet this Lease or any interest in it, or any property on the Leased Premises, or grant any interest, privilege, or license whatsoever in connection with this Lease without the prior written consent of Government. Consent shall not be unreasonably withheld or delayed.

5.2. Any sublease granted by Lessee shall contain a copy of this Lease as an attachment and be consistent with the terms and conditions of this Lease and shall terminate immediately upon the expiration or any earlier termination of this Lease, without any liability on the part of Government to Lessee or any sublessee, except as specifically stated in this Lease. No sublease shall relieve Lessee of any of its obligations under this Lease. Under any sublease made with or without consent of Government, the sublessee shall be deemed to have assumed all of the obligations of Lessee under this Lease. Every sublease shall be subject to, and shall be deemed to contain, the Environmental Protection provisions set forth in Paragraph 13 below.

5.3. Lessee shall submit to Government for its prior written consent, a copy of each sublease Lessee proposes to execute. The consent may include a requirement that Lessee renegotiate the sublease to conform to the provisions of this Lease. Consent to the sublease shall not be taken or construed to diminish or enlarge any of the rights or obligations of either Government or Lessee. Should a conflict arise between the provisions of this Lease and a provision of the sublease, the provisions of this Lease shall take precedence. Upon its execution, a copy of each sublease shall be immediately furnished to the Government.

6. PHYSICAL CONDITION OF PROPERTY.

6.1. The Leased Premises shall be delivered to Lessee on an "As Is, Where Is" basis, and, as such, Government makes no warranty to its usability generally or its fitness for any particular purpose.

6.2. In the event this Lease is terminated and the Parties have not agreed to enter into a new lease, or conveyance of title to the Leased Premises, or a Lease In Furtherance of Conveyance, Lessee shall return the Leased Premises to Government in the same condition in which it was received, reasonable wear and tear, damage by insurable events, and Acts of God excepted. Lessee may, at its expense and with prior written approval of Government, (a) replace any personal property with personal property of like kind and utility, (b) replace any personal property in a good and workmanlike manner, and (c) dispose of any worn out, obsolete, or non-functioning personal property, in accordance with applicable laws and regulations. Government shall not unreasonably withhold or delay granting its approval to Lessee's request for those actions. Lessee shall not be made to replace merchantable forest products located on the Leased Premises for which value has been paid to the Government in accordance with Paragraph 1.1.

7. ENVIRONMENTAL CONDITION OF PROPERTY. An Environmental Condition of Property (ECP) is attached to and made a part of this Lease as **Attachment C**. The ECP sets forth the existing environmental conditions of the Leased Premises as represented by a survey conducted by Government and sets forth the basis for the Government's determination that the Leased Premises are suitable for leasing. Lessee understands that whenever this Lease ends, Government may conduct an inspection of the Leased Premises to determine if any material deviation from the initial environmental condition has occurred, and if a material deviation has occurred, Lessee will remain liable as prescribed in paragraphs 13, 15, 16, and other terms contained herein, notwithstanding the ending of this lease. Lessee and each sublessee are made aware of the notifications contained in the ECP and shall comply with all restrictions in it.

8. IMPROVEMENTS AND RESTORATION. Lessee, or any sublessee, shall not construct or make any substantial construction, alterations, additions, modifications, excavations, betterments, or improvements to, installations upon, or otherwise modify or alter the Leased Premises in any way (collectively, the "Improvements"), including those that may adversely affect human health or the environment, without the prior written consent of Government. That consent will be provided to the Lessee in a Notice to Proceed ("NTP") and shall not be unreasonably withheld or delayed. For any Improvements in the proximity of any known Navy Environmental Restoration Program ("ERP") site, that consent may also include a requirement for the written approval of Government's Remedial Project Manager in addition to approval by the RECO. The Leased Premises are not within proximity to a known ERP. The Improvements shall be done in a workmanlike manner and be subject to the requirements of all state and local building codes, as applicable. Lessee shall give Government prior written notification and a full plan and description of the proposed Improvements, including any other information on the proposed work requested by Government. Specifically, Improvements known to the Government and proposed by the Lessee are described in **Attachment B**. Lessee shall give Government written notice and designs at design milestones of 50%, 90% and as built level design drawings for proposed changes to **Attachment B**, including but not limited to those resulting from design finalization, project optimization, regulatory influence, and changing knowledge of site conditions. Regulatory approval provided by the Public Service Utility will be obtained for the project described in Attachment B and the approving order contained as Attachment F. Lessee shall not be made to replace merchantable forest products located on the Leased Premises for the Government .

Upon expiration or earlier termination of this Lease, Lessee may, unless directed to be removed by Government, abandon in place to the Government all Improvements, as described in Attachment B, on the Leased Premises, at which time title to said abandonment shall vest in the Government. If Government or Lessee elects to have the Improvements removed from the Leased Premises upon expiration or termination of this Lease, Lessee shall promptly remove the Improvements and restore the Leased Premises to the same condition that existed when the term of this Lease began, or to a condition that is acceptable to Government.

9. ACCESS BY GOVERNMENT. In addition to access required under Paragraph 13, at all reasonable times throughout the term of this Lease, Government shall be allowed access to the Leased Premises for any purpose upon reasonable notice to Lessee or sublessee. Government normally will give Lessee or any sublessee 24-hour's prior notice of its intention to enter the Leased Premises, unless it reasonably determines the entry is an emergency required for safety, health, environmental, operations or security purposes, in which event no notice shall be required. Any claims by Lessee or sublessee against Government for damages arising from such entry shall be governed by the Federal Tort Claims Act and Brooks Act. Nothing in this Lease shall be deemed to prejudice the rights of Lessee or any sublessee under any contract, other agreement or law including, but not limited to the Federal Tort Claims Act. All necessary keys to the buildings and Leased Premises occupied by Lessee or any sublessee shall be made available to Government upon request.

10. UTILITIES AND SERVICES. Lessee and any sublessee shall be responsible for obtaining utilities and services for the Leased Premises. In the event that Lessee shall request and Government shall furnish Lessee with any utilities and services maintained by Government, Lessee shall pay Government the agreed charges as additional rent under this Lease. Those charges and the method of payment shall be determined by Government or the appropriate supplier of the service, in accordance with applicable laws and regulations, on the basis that Government or the appropriate supplier may establish, and may include a

requirement for the installation of adequate connecting and metering equipment at the sole cost and expense of Lessee. It is expressly agreed and understood that Government in no way warrants the continued maintenance or adequacy of any utilities or services furnished by it to the Leased Premises. Lessee shall have the right, subject to Paragraph 8, to install utilities, or make improvements to existing utilities on the Leased Premises, including but without limitation, the installation of emergency power generators, that may be necessary for the operation of Lessee's equipment.

11. NON INTERFERENCE WITH GOVERNMENT OPERATIONS. Lessee or any sublessee shall not conduct operations or activities, or make any alterations, that would interfere with or otherwise restrict Government operations, environmental clean-up, or restoration actions by Government, U. S. Environmental Protection Agency (EPA), state environmental regulators, or their contractors. Cleanup, restoration, or testing activities for environmental purposes by those entities shall take priority over Lessee's or any sublessee's use of the Leased Premises in the event of any conflict. However, Government will take reasonable steps to prevent interference with Lessee's or the sublessee's use of the Leased Premises.

12. PROTECTION AND MAINTENANCE OF LEASED PREMISES.

12.1. Lessee shall, at its own expense, protect, preserve, maintain, and repair the Leased Premises in at least as good condition as when Lessee received it, normal wear and tear, damage by insurable events, and Acts of God excepted. Lessee's responsibilities shall include, but not be limited to, removal of trash, litter, broken glass, and other hazards or obstructions from the Leased Premises that are generated by Lessee, its agents, contractors, or employees. Lessee shall ensure that the Leased Premises is maintained free of any noxious or nuisance-causing condition. Lessee is responsible for the maintenance and repair of all buildings or structures built or placed on the Leased Premises by Lessee.

12.2. Exterior Utility Systems. Lessee is responsible for the repair and maintenance of all exterior utility distribution lines, connections, and equipment that solely support Lessee's facilities. This responsibility extends from the facilities leased to the point of connection with the utility system that serves users other than Lessee. These systems include but are not limited to heating plants, steam lines, traps, high voltage transformers, substations, power distribution lines (overhead and underground), poles, towers, gas mains, water and sewage mains, water tanks, fire protection systems, hydrants, lift stations, manholes, isolation valves, meters, storm water systems, catch basins, and similar items.

12.3. Refuse Removal. Debris, trash, and other undesirable materials shall be promptly removed from the Leased Premises, and the Leased Premises shall be kept reasonably clean and free of undesirable materials at all times. At completion of the Lease term, Lessee shall remove all containers, equipment not belong to Government, and other undesirable materials, and leave the Lease Premises in an acceptably clean condition.

12.4. Security Protection. Lessee shall keep the Leased Premises secure and safe. Any crimes or other offenses, including traffic offenses and crimes and offenses involving damage to or theft of Government property, shall be reported to the appropriate state or local municipal authorities for investigation and disposition (in non-exclusive legislative jurisdiction areas) and to Government as property owner.

12.5. Lessee shall ensure that only trained, experienced, and qualified persons perform the maintenance and protections services specified in this Paragraph.

13. ENVIRONMENTAL PROTECTION PROVISIONS.

13.1. Compliance with Law. Lessee shall comply, at its sole cost and expense, with the Federal, state, and local laws, regulations, and standards that are or may become applicable to Lessee's activities on the Leased Premises.

13.2. Permits. Lessee shall be solely responsible for obtaining at its cost and expense any environmental permits required for its operations under this Lease, independent of any existing permits.

13.3. Indemnification. Lessee shall, to the extent permitted under applicable law, indemnify and hold harmless Government from, and defend Government against, any damages, costs, expenses, liabilities, fines, or penalties resulting from releases, discharges, emissions, spills, storage, treatment, disposal, or any other acts or omissions by Lessee, its officers, agents, employees, or contractors, or licensees, or the invitees of any of them, giving rise to Government liability, civil or criminal, or responsibility under Federal, state, or local environmental laws. This Paragraph shall survive the termination of this Lease, and Lessee's obligations under this Paragraph shall apply whenever Government incurs costs or liabilities for Lessee's actions of the types described in this Paragraph 13.

13.4. Inspection. Government's rights under this Lease specifically include the right for Government officials to inspect upon reasonable notice the Leased Premises for compliance with environmental, safety, and occupational health laws and

regulations, whether or not Government is responsible for enforcing them. Those inspections may be made without prejudice to the right of duly constituted enforcement officials to make them. Government normally will give Lessee twenty-four (24) hours prior notice of its intention to enter the Leased Premises unless it determines the entry is required for safety, environmental, operations, or security purposes. Any claims by Lessee or sublessee against Government for damages arising from such entry shall be governed by the Federal Tort Claims Act.

13.5. Asbestos. Except as provided in Paragraph 13.6, Government is not responsible for any abatement, removal, or containment of asbestos. If Lessee intends to make any Improvements that require the abatement, removal, or containment of asbestos, an appropriate asbestos management plan must be incorporated in the alterations plan to be submitted to the Commander/Commanding Officer under Paragraph 8. The asbestos management plan will identify the proposed disposal site for the asbestos.

13.6. Abatement of Asbestos. Government shall be responsible for the removal or containment of asbestos or asbestos-containing material (collectively, "ACM") existing in the Leased Premises on the term beginning date as identified in the ECP attached to this Lease when that ACM is damaged or deteriorated to the extent that, through normal use, it is a source of airborne fibers in quantities that pose a threat to human health ("damaged or deteriorated ACM"). Government agrees to abate all that existing damaged or deteriorated ACM as stated in this Paragraph 13.6. Government may choose the most economical means of abating damaged or deteriorated ACM, which may include removal or containment, or a combination of removal and containment. The foregoing Government obligation does not apply to ACM that is not damaged or deteriorated at the time Lessee takes possession of the Leased Premises and that may become damaged or deteriorated by Lessee's activities. ACM that during the period of this Lease becomes damaged or deteriorated through the passage of time, or as a consequence of Lessee's activities under this Lease, including but not limited to any emergency, shall be abated by Lessee at its sole cost and expense. Notwithstanding Paragraph 13.5, in an emergency, Lessee shall notify Government as soon as practicable of its emergency ACM responses. Lessee shall be responsible for monitoring the condition of existing ACM on the Leased Premises for deterioration or damage and accomplishing repairs pursuant to this Lease.

13.7. Environmental Liability of Lessee. Notwithstanding any other provision of this Lease, Lessee does not assume any liability or responsibility for environmental impacts or damage caused by Government's use, storage or release of toxic or hazardous wastes, substances, or materials on any portion of the installation, including the Leased Premises. Lessee has no obligation under this lease to undertake the defense of any claim or action, whether in existence now or brought in the future, to the extent arising out of the use or release of any toxic or hazardous wastes, substances, or materials on, or from any part, of the installation, including the Leased Premises, which occurred prior to the first day of the Lessee's occupation or use of each portion of, or any building, facility, or other improvement on the Leased Premises under any instrument entered into between the parties. Further, Lessee has no obligation under this Lease to undertake environmental response, remediation, or cleanup actions relating to that use, storage or release.

13.7.1. For the purposes of this Paragraph, "defense" or "environmental response, remediation, or cleanup" include liability and responsibility for the costs of damage, penalties, legal, and investigative services relating to such use or release. "Occupation or use" shall mean any activity or presence (including preparation and construction) in or upon such portion of, or such building, facility, or other improvement on, the Leased Premises. The term "toxic or hazardous materials" is defined as provided in 48 CFR 252.223-7006.

13.7.2. This Paragraph 13.7 does not relieve Lessee of any obligation or liability it might have or acquire with regard to third parties or regulatory authorities by operation of law.

13.7.3. This Paragraph 13.7 shall survive the expiration or termination of this Lease.

13.8. No Liability for Interference. Lessee expressly acknowledges that it fully understands that some or all of the response actions to be undertaken with regard to the Federal Facilities Agreement (FFA), if applicable, or the ERP, may impact Lessee's quiet use and enjoyment of the Leased Premises. An FFA does not exist for the Leased Premises. Lessee agrees that notwithstanding any other provision of this Lease, Government assumes no liability to Lessee should implementation of the FFA, if applicable, or the ERP, or other hazardous waste cleanup requirements, whether imposed by law, regulatory agencies, or the Navy or the Department of Defense, interfere with Lessee's use of the Leased Premises. Lessee shall have no claim against The United States or any of its officers, agents, employees, or contractors on account of any interference, whether due to entry, performance of remedial or removal actions, or exercise of any right with regard to the FFA, if applicable, or the ERP, or under this Lease or otherwise.

13.9. Response or Remedial Actions. Lessee agrees to comply with the provisions of any health or safety plan in effect under the ERP or any hazardous substance remediation or response agreement with environmental regulatory authorities during the

course of any of the above described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by Lessee. Any claims by Lessee or sublessee against Government for damages arising from such actions shall be governed by the Federal Tort Claims Act.

13.10. Storage of Hazardous Wastes. Lessee must comply with all applicable Federal, state, and local laws, regulations, and other requirements relating to occupational safety and health, the handling and storage of hazardous materials, and the proper generation, handling, accumulation, treatment, storage, disposal, and transportation of hazardous wastes. Lessee shall not treat, store, transport, or dispose of hazardous waste unless Lessee is in possession of any required permit issued to it under the Resource Conservation and Recovery Act, as amended (RCRA). Lessee shall not treat, store, transport, or dispose of any hazardous waste under, pursuant to, or in reliance upon any permit issued to Government. Lessee shall be liable for the cost of proper disposal of any hazardous waste generated by its approved sublessees in the event of failure of the sublessees to dispose properly of those wastes.

13.11. Environmental Records. Lessee must maintain and make available to Government all records, inspection logs, and manifests that track the generation, handling, storage, treatment, and disposal of hazardous waste relevant to the Leased Premises, as well as all other environmental records required to be maintained by Lessee in connection with its use and activities on the Leased Premises by applicable laws and requirements. Government reserves the right to inspect the Leased Premises and Lessee's records for compliance with Federal, state, local laws, regulations, and other requirements relating to the generation, handling, storage, treatment, and disposal of hazardous waste, as well as to the discharge or release of hazardous substances. Violations will be reported by Government to appropriate regulatory agencies, as required by applicable law. Lessee shall be liable for the payment of any fines and penalties that may accrue as a result of the actions of Lessee.

13.12. Spill Plans. If hazardous waste, fuel, chemicals, or other regulated hazardous substances will be present on the Leased Premises, Lessee shall prepare a completed and approved plan prior to commencement of operations on the Leased Premises for responding to hazardous waste, fuel, and other chemical spills. The plan shall comply with all applicable requirements and shall be updated from time to time as may be required to comply with changes in site conditions or applicable requirements, and where required, shall be approved by all agencies having regulatory jurisdiction over the plan. The plan shall be independent of Navy spill prevention and response plans. Lessee shall not rely on use of the installation's personnel or equipment in execution of its plan. Lessee shall file a copy of the approved plan and approved amendments thereto with the Commander/Commanding Officer within fifteen (15) days of approval. Notwithstanding the foregoing, should Government provide any personnel or equipment, whether for initial fire response or spill containment or otherwise on request of Lessee, or because Lessee was not, in the sole opinion of Government, conducting timely cleanup actions as required of Lessee under applicable laws and regulations, Lessee agrees to reimburse Government for its costs in accordance with all applicable laws and regulations.

13.13. RCRA Compliance. Lessee shall comply with the hazardous waste permit requirements under the RCRA or its state equivalent and any other applicable hazardous waste laws, rules, and regulations pertaining to Lessee's use or activities on the Leased Premises. Lessee must provide at its own expense hazardous waste storage facilities that comply with all laws and regulations that it may need for storage. Government hazardous waste storage facilities will not be available to Lessee. Any violation of the requirements of this Paragraph shall be deemed a material breach of this Lease.

13.14. Accumulation Points. Navy accumulation points for hazardous and other wastes shall not be used by Lessee, and Lessee shall not permit its hazardous waste to be commingled with hazardous waste of the Navy.

13.15. Discharge of Fill. Lessee shall not discharge, or allow the discharge of, any dredged or fill material into any waters or wetlands on the Leased Premises except in compliance with the express written consent of the Commander/Commanding Officer.

13.16. Pesticides. Prior to the storage, mixing, or application of any pesticide, as that term is defined under the Federal Insecticide, Fungicide, and Rodenticide Act, Lessee shall prepare a plan for storage, mixing, and application of pesticides (Pesticide Management Plan). The Pesticide Management Plan shall be sufficient to meet all applicable Federal, state, and local pesticide requirements. Lessee shall store, mix, and apply all pesticides within the Leased Premises only in strict compliance with the Pesticide Management Plan. The pesticides will only be applied by a licensed applicator.

13.17. National Pollutant Discharge Elimination System (NPDES) Permit. Lessee shall comply with all requirements of the Federal Water Pollution Control Act, as amended, the NPDES, and any applicable State or local requirements. If Lessee discharges wastewater to a publicly owned treatment works, Lessee must submit an application for its discharge prior to the start of this Lease. Lessee shall be responsible for meeting all applicable wastewater discharge permit standards. Lessee shall not

discharge wastewater under the authority of any NPDES permit, pretreatment permit, or any other permit issued to the installation. Lessee shall make no use of any septic tank installed on the installation without the prior written consent of Government.

13.18. Radioactive Materials. Lessee must notify Government of its intent to possess, store, or use any licensed or licensable source or byproduct materials, as those terms are defined under the Atomic Energy Act, as amended, and its implementing regulations; of Lessee's intent to possess, use, or store radium; and of Lessee's intent to possess or use any equipment producing ionizing radiation and subject to specific licensing requirements or other individual regulations, at least sixty (60) days prior to the entry of such materials or equipment upon the installation. Upon notification, Government may impose requirements, including prohibition of possession, use, or storage, that are deemed necessary to adequately protect health and the human environment. Thereafter, Lessee must notify Government of the presence of all licensed or licensable source or byproduct materials, of the presence of all radium, and of the presence of all equipment producing ionizing radiation and subject to specific licensing requirements or other individual regulation; provided, however, that Lessee need not make either of the above notifications to Government with regard to source and byproduct material that is exempt from regulation under the Atomic Energy Act. Lessee shall not, under any circumstances, use, own, possess, or allow the presence of special nuclear material on the Leased Premises.

13.19. Improvements and Environmental Cleanup. Lessee further agrees that it shall give Government prior written notice accompanied by a detailed written description of all proposals for any Improvements that may impede or impair any activities under the ERP, or the FFA if applicable, or that will be undertaken in certain areas of the Leased Premises identified as "Areas of Special Notice" on **Attachment E**. An FFA does not exist for the Leased Premises. These Areas of Special Notice consist of either "Operable Units" (as defined in the National Contingency Plan) or other areas of concern because of the potential for environmental contamination and include buffer areas as shown on **Attachment E**. The notice and accompanying written description of those proposals shall be delivered to Government sixty (60) days in advance of the commencement of any Improvements. In addition, Improvements shall not commence until Lessee has complied with the provisions of Paragraph 8. The detailed written description must include the effect that planned Improvements may have on site soil and groundwater conditions and the cleanup efforts contemplated under the ERP and the FFA, if applicable. Notwithstanding the preceding three sentences, Lessee shall be under no obligation to give advance written notice of any Improvements that will be undertaken totally within any structure located on the Leased Premises, provided that the work will not impede or impair any activities under the ERP or the FFA, if applicable. However, any work below the floor of any structure within any Area of Special Notice that will involve excavating in and/or disturbing concrete flooring, soil and/or groundwater, or will impede or impair any activities under the ERP or the FFA, if applicable, will be subject to the sixty (60) day notice requirement imposed by this Paragraph 13.19.

13.20. Environmental Access. Government, EPA, and the state and their respective officers, agents, employees, contractors, and subcontractors have the right, upon reasonable notice to Lessee to enter upon the Leased Premises for the purposes enumerated in this subparagraph, and for other purposes consistent with any provision of the FFA, if applicable:

13.20.1. To conduct investigations and surveys, including, where necessary, drilling, soil and water sampling, test pitting, testing soil borings, and other activities related to the ERP or the FFA, if applicable;

13.20.2. To inspect field activities of Government and its contractors and subcontractors in implementing the ERP or the FFA, if applicable. When the Lessee has notice of an EPA or State Regulatory visit or inspection, the Lessee shall notify the Government as soon as practical;

13.20.3. To conduct any test or survey required by the EPA or the state relating to the implementation of the FFA, if applicable, or environmental conditions at the Leased Premises or to verify any data submitted to the EPA or state by Government relating to those conditions;

13.20.4. To conduct, operate, maintain, or undertake any other response or remedial action as required or necessary under the ERP or the FFA, if applicable, including, but not limited to, monitoring wells, pumping wells, and treatment facilities.

13.20.5. To monitor any environmental restrictive use covenants and the effectiveness of any other land use or institutional control established by the Navy on the Leased Premises, either by itself, by its contractor, by any public entity, including the state, or by a private entity registered in the state to monitor environmental covenants.

13.21. Lessee shall comply with the Environmental Protective Measures provided in **Attachment G**.

14. TERMINATION

14.1. Termination for Non-Use. This Lease will terminate and be considered a breach under Paragraph 14.3 of this Lease upon Lessee abandonment of the rights granted herein; or upon non-use of those rights for a period of two (2) consecutive years.

14.2. National Emergency. In the event of a national emergency declared by the President or the Congress, Government may terminate this Lease immediately, without notice to Lessee.

14.3 Breach of Terms By Lessee. In the event of breach by Lessee of any of the terms, conditions, or obligations of this Lease, Government shall have the right to terminate for breach or offer a period for cure. Unless Government determines that immediate notice of termination, or a shorter period of time for cure, is required for safety, environmental, operational, or security purposes, Lessee shall be afforded thirty (30) calendar days from the receipt of Government's notice of intent to terminate to complete the performance of the obligation or otherwise cure the breach and avoid notice of termination of this Lease Government may grant a reasonable extension of time to complete the cure. In the event that Government shall elect to terminate this Lease on account of the breach by Lessee Government will issue a notice of termination, and Government shall be entitled to recover, and Lessee shall pay to Government:

14.3.1. The reasonable costs incurred in resuming possession of the Leased Premises;

14.3.2. The reasonable costs incurred in performing any outstanding obligation on the part of Lessee existing prior to or upon termination ;

14.3.3. An amount equal to the aggregate of any maintenance obligations, and charges assumed under this Lease and not paid or satisfied, with amounts being due and payable at the time when those obligations and charges would have accrued or become due and payable if this Lease had not been terminated, provided, however, that Rent under Paragraph 3 shall not accrue beyond 60 days after the later of (a) the date the Leased Premises are vacated by Lessee and restored to their original condition, or (b) the date of issuance of notice of termination.

14.4. Sale or Transfer of the Property. If Government elects to sell or transfer title to the Leased Premises during the term of this Lease, Government may terminate this Lease upon ninety (90) days' written notice to Lessee.

14.5. Federal Requirement. In the event all or any part of the Leased Premises is required for Federal use, or if Lessee's use of it is not consistent with Federal program purposes, Government may terminate the Lease, or any needed part of the Leased Premises, if it is practical to terminate a part, upon ninety (90) days' written notice to Lessee.

14.6. Termination by Lessee. Lessee may terminate this Lease at any time upon ninety (90) days written notice to the RECO.

14.7. Rights retained by Lessee. Nothing in subparagraphs 14.4 or 14.5 is intended to limit Lessee's right to bring claim for compensation or dispute, pursuant to existing Federal law and as described in paragraph 23.

15. INDEMNIFICATION.

15.1. Lessee shall indemnify and save Government harmless from, and shall defend Government against, and shall pay, all costs (including the costs of experts and investigators), expenses, and reasonable attorney's fees for all trial and appellate levels and post-judgment proceedings in connection with any fines, suits, actions, damages, liability, and causes of action of every nature arising or growing out of, or in any manner connected with, the occupation or use of the Leased Premises by Lessee, its employees, servants, agents, guests, invitees, and contractors. This includes, but is not limited to, any fines, claims, demands, and causes of action of every nature that may be made upon, sustained, or incurred by Government by reason of any breach, violation, omission, or non-performance of any term, covenant, or condition of this Lease on the part of Lessee, its employees, servants, agents, guests, invitees, or contractors. However, this indemnity shall not extend to damages due to the sole fault of Government or its employees, agents, servants, guests, invitees or contractors. This covenant shall survive the termination of this Lease.

15.2. Lessee releases the Government and its employees from liability from death or injury to persons caused by water, ice, snow, sleet, frost, steam, hail, wind, cold, dampness, electricity, rust, falling plaster or other materials, fire, explosion, sewer or sewage, gas, vapors, odors, aircraft noise, toxic or hazardous wastes, substances, or materials, the bursting or leaking of pipes or plumbing, or faulty wiring, or by any equipment or fixtures, or any act of God, or objects of any nature moved or propelled by water, ice, snow, sleet, steam, hail, or wind, at the Leased Premises, unless caused by the willful act or gross negligence of the Government.

16. INSURANCE.

16.1. Lessee shall, without prejudice to any other rights of Government, bear all risk of loss or damage or destruction to the Leased Premises, including any buildings, improvements, fixtures, or other property on it, arising from any causes whatsoever, with or without fault by Government. During the entire period this Lease shall be in effect, Lessee, at no expense to Government, agrees to carry and maintain in effect at all times during the term of this Lease the following insurance coverages:

16.1.1. Property insurance coverage against loss or damage by perils covered by Insurance Services Office (“ISO”) special cause of loss form or its equivalent in an amount not less than One Hundred Percent (100%) of the full replacement cost of the buildings, building improvements, improvements to the land, fixtures, and personal property on the Leased Premises. The policies of insurance carried in accordance with this condition shall contain a “Replacement Cost Endorsement.” The full replacement cost shall be determined every five years, except in the event of substantial changes or alterations to the Leased Premises undertaken by Lessee as permitted under the provisions of this Lease.

16.1.2. If the Leased Premises are located in a state, or an area of a state, which is prone to suffer property loss and damage from earthquake, flood, windstorm, or rainstorm, and if required by Government, a special risks or perils endorsement from a commercial insurer or from a state or Federal program, in amounts and with limitations and deductibles satisfactory to Government.

16.1.3. Commercial general liability insurance using the most recent occurrence form or its equivalent, covering bodily injury, premises, operations, products, completed operations, and independent contractors and for the contractual liability assumed by Lessee under Paragraph 15, and shall afford immediate protection at the time that the term of this Lease begins, and at all times during the term of this Lease, with single limit bodily injury coverage of \$__ million each occurrence, with single-limit property damage in the amount of \$__ each occurrence, and with single-limit fire/legal liability coverage in the amount of \$__ million each occurrence. The value of the structure for fire coverage will be determined every five years.

16.1.4. If Lessee owns or leases business vehicles that will be operating on, to, or from the Leased Premises or military land, those vehicles must be registered and insured in accordance with installation requirements

16.1.5. If and to the extent required by law, workers’ compensation and employer’s liability or similar insurance in form and amounts required by law.

16.1.6. If there is an airport operator on the Leased Premises, airport operator’s liability insurance, including, but not limited to, insurance against contractual liability assumed under this Lease by Lessee, regarding claims or causes of action arising in connection with use of the Leased Premises and its improvements as an airfield or airport, affording protection with limits of liability of \$__ million.

16.2. During the entire period this Lease shall be in effect, Lessee shall either carry and maintain the insurance required below at its expense, or require any contractor performing work on the Leased Premises to carry and maintain the following at no expense to Government.

16.2.1. The property insurance coverage required under subparagraph 16.1 above, which shall include the general property form that provides coverage in connection with any construction or work permitted under this Lease.

16.2.2. Fire and any other applicable insurance provided for in this Paragraph 16, which, if not then covered under the provisions of existing policies, shall be covered by special endorsement related to any Improvements (as defined in Paragraph 8), including all materials and equipment incorporated in, on, or about the Leased Premises (including excavations, foundations, and footings) under an ISO special cause-of-loss, completed value, builder’s risk form or its equivalent; and

16.2.3. Workers’ compensation for Lessee and any contractor of Lessee.

16.3. All policies of insurance that this Lease requires Lessee or any contractor to purchase and maintain, or cause to be purchased and maintained under this Paragraph, shall be underwritten by insurers authorized to underwrite insurance in the state where the Leased Premises are located, and that have a rating of at least B+ by the most recent edition of *Best’s Key Rating Guide*. In all policies, Government shall be named as additional insured and loss payee for its interest in, but not limited to, the Leased Premises and any personal property included with the Leased Premises (under ISO forms CG 2011 and CG 2028 or their equivalents). Government shall appear in all policies as “The United States of America, c/o [FEC Commander/address], and payments for losses shall be made to “Treasurer of the United States.” All commercial policies shall state (a) that no cancellation, reduction in amount, or material change in coverage shall be effective until at least sixty (60) days after receipt by Government of written notice; (b) that the insurer shall have no right of subrogation against Government; and (c) shall be reasonably satisfactory

to Government in all other respects, including, without limitation, the amounts of coverages and deductibles from time to time. In the case of self-insurance for requirements of this Lease, Lessee shall provide at least sixty (60) days written notice to the Government prior to any reduction in coverage, cancellation of self-insurance, or change to the percentage of self-insurance to commercial insurance to be applied to requirements of this Lease. In no circumstances will Lessee be entitled to assign to any third party rights of action that Lessee may have against Government. Notwithstanding the foregoing, any cancellation of insurance coverage based on nonpayment of the premium shall be effective only upon thirty (30) days' written notice to Government. Lessee understands and agrees that cancellation of any insurance coverage required to be carried and maintained by it or contractor under this Paragraph 16 will constitute a failure to comply with the terms of this Lease, and Government shall have the right to terminate this Lease upon receipt of any cancellation notice, but only if Lessee fails to cure noncompliance to the extent allowed under Paragraph 14.

16.4. Lessee shall deliver, or cause to be delivered upon execution of this Lease and PRIOR TO ENTRY on or occupancy of the Leased Premises or the commencement of any Improvements (and thereafter not less than thirty (30) days prior to the expiration date of each policy furnished under this Paragraph 16), to Government a certificate or certificates of insurance evidencing the coverages and deductibles required by this Paragraph 16.

16.5. In the event that any item or part of the Leased Premises shall be damaged or destroyed, the risk of which is assumed by Lessee under Paragraph 16.1, Lessee shall promptly give notice to Government. Lessee shall, as soon as practicable after the casualty, restore damaged or destroyed property as nearly as possible to the condition that existed immediately prior to the loss or damage, subject to Paragraphs 8 and 23. All repair and restoration work under this Paragraph shall comply with the provisions of this Lease, including any notice and approval requirements.

16.6. Notwithstanding any other provision of this Lease, Lessee may, with the prior consent of the RECO, self-insure any risk for which insurance coverage is required under this Lease; provided, however, that if Lessee's statutory limits of liability or other impediments to the assumption of liability are less than the limits of insurance required in this Lease, Lessee shall obtain commercial coverage that is sufficient in amount and nature to satisfy the insurance requirements of this Lease when added to any self-insurance. In order to obtain the consent of Government to self-insure, prior to entry Lessee shall deliver to Government a writing setting forth the limitations and impediments, if any, to which Lessee's self-insurance is subject, Lessee's source of funds to pay any claim from any risk for which insurance is required under this Lease (including its most recent audited financial statement), and any other information that Government may require to assess Lessee's request. If commercial insurance is required for any purpose, the provisions of Paragraph 16.1.3 shall apply; however, the total amount of commercial insurance and self-insurance shall meet the dollar limitations contained in this Paragraph 16.

16.7. If Government at any time believes that the limits or extent of coverage or deductibles for any of the insurance required in this Lease are insufficient, it may determine the proper and reasonable limits and extent of coverage and deductibles and deliver notice of that coverage or deductibles to Lessee. Lessee shall thereafter carry insurance with the limits and extent of coverage and deductibles as determined by Government until further change.

17. LABOR PROVISIONS.

17.1. Equal Opportunity. During the term of this Lease, Lessee and each sublessee agree as follows with regard to all employees located at, or involved with, the Leased Premises:

17.1.1. Lessee and each sublessee shall not discriminate against any employee or applicant for employment because of race, color, age, marital status, handicap, religion, sex, or national origin. Lessee and each sublessee shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, age, marital status, handicap, religion, sex, or national origin. That action shall include, but not be limited to, employment, upgrading, demotion, or transfer, retention or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, selection for training, including apprenticeship. Lessee and each sublessee agree to post in conspicuous places available to employees and applicants for employment notices furnished by Government containing the provisions of this nondiscrimination clause.

17.1.2. Lessee and each sublessee shall, in all solicitations or advertisements for employees placed at the Leased Premises by or on behalf of Lessee and each sublessee, state that all qualified applicants will receive consideration for employment without regard to age, marital status, handicap, race, color, religion, sex, or national origin.

17.1.3. Lessee and each sublessee shall send to each labor union or representative of workers for the Leased Premises with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by

Government, advising the labor union or worker's representative of commitments under this Equal Opportunity clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

17.1.4. Lessee and each sublessee shall comply with all provisions of Exec. Order No. 11,246 of September 24, 1965, as amended by Exec. Order No. 11,375 of October 13, 1967 (the "Executive Order"), and of the rules, regulations, and relevant orders of the Secretary of Labor as it relates to the Leased Premises.

17.1.5. Lessee and each sublessee shall furnish all information and reports required by the Executive Order, and by the rules, regulations, and orders of the Secretary of Labor or pursuant to it, and will permit access to its books, records, and accounts by Government and the Secretary of Labor for purposes of ascertaining compliance with those rules, regulations, and orders.

17.1.6. In the event of Lessee's or any sublessee's noncompliance with this Equal Opportunity clause or with any of the applicable rules, regulations, or orders, this Lease or any sublease may be canceled, terminated, or suspended in whole or in part and Lessee or any sublessee may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Order, and other sanctions may be imposed and remedies invoked, all as contained in the Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

17.1.7. Lessee shall include the provisions in Paragraph 17.1 in every sublease unless exempted by rules, regulations, or orders of the Secretary of Labor issued under section 204 of the Executive Order, so that those provisions will be binding upon each sublessee. Lessee will take whatever action against any sublessee that Government may direct as a means of enforcing those provisions, including sanctions for noncompliance. However, in the event Lessee becomes involved in, or is threatened with, litigation with a sublessee as a result of the direction by Government, Lessee may request Government to join the litigation to protect the interests of Government.

17.2. Contract Working Hours and Safety Standards Act (40 U.S.C. §§ 327-330) (the "Act"). This Lease and each sublease, to the extent that it is a contract of a character specified in the Act and is not covered by the Walsh-Healy Public Contracts Act (41 U.S.C. §§ 35-45) or the Davis-Bacon Act (40 U.S.C. §§ 3141-3148), is subject to the following provisions and exceptions of the Act and to all other sections and exceptions of that law as they apply to employment at the Leased Premises:

17.2.1. Lessee and each sublessee shall not require or permit any laborer or mechanic in any workweek in which he/she is employed on any work on the Leased Premises to work in excess of 40 hours on work subject to the contents provisions of the Act unless the laborer or mechanic receives compensation at a rate not less than one and one-half times his/her basic rate of pay for those excess hours. The "basic rate of pay," as used in this clause, shall be the amount paid per hour, exclusive of the employer's contribution or cost for fringe benefits and any cash payment made in lieu of affording fringe benefits, or the basic hourly rate contained in the wage determination, whichever is greater.

17.2.2. In the event of any violation of the preceding sub-paragraph, Lessee or sublessee shall be liable to any affected employee for any amounts due, and to Government for liquidated damages. The liquidated damages shall be computed for each individual laborer or mechanic employed in violation of Paragraph 17.2.1 above, in the sum of \$200 for each calendar day on which the employee was required or permitted to be employed in excess of the standard workweek of 40 hours without payment of the required overtime wages.

17.3. Convict Labor. In connection with the performance of work required by this Lease or any sublease, Lessee or any sublessee agrees not to employ any person undergoing a sentence of imprisonment at hard labor.

17.4. Acquisition Regulation. Unless specifically required by other terms contained in this Lease, neither the Federal Acquisition Regulation (FAR), nor the Defense Federal Acquisition Regulation Supplement (DFARS) apply to this outgrant lease, which is executed under the authority of 10 U.S.C. 2667.

18. NOTICES. Notices shall be sufficient under this Lease if made in writing and submitted in the case of Lessee to:

street address, telephone, and point of contact for Lessee

And for the Government:

street address, telephone, and point of contact for Lessee

Those persons shall serve as the representatives of the Parties and the points of contact during the term of this Lease. Any notice shall be deemed to have been given, unless delivered personally, when deposited in the U.S. mail, postage pre-paid, certified mail, return receipt requested and addressed as set forth above or to another address that Lessee or Government shall have stated to the other by like notice, or upon confirmation of receipt if sent by telefacsimile on a regular business day and addressed as set forth above, or within twenty-four (24) hours, or the next business day if sent by a recognized overnight delivery service.

19. AUDIT. This Lease and any sublease shall be subject to audit by any authorized Government agency. Lessee and each sublessee shall make available to those agencies for use in those audits all records that it maintains that are related this Lease or any sublease and copies of all reports required to be filed under this Lease.

20. INTEREST. Notwithstanding any other provision of this Lease, unless paid within thirty (30) calendar days, all amounts that become payable by Lessee to Government under this Lease (net of any applicable tax credit under the Internal Revenue Code) shall bear interest from the date due. The rate of interest will be the Current Value of Funds Rate published by the Secretary of the Treasury under the Debt Collection Act of 1982(31 U.S.C. § 3717). Amounts shall be due upon the earliest of (a) the date fixed by this Lease, (b) the date of the first written demand for payment, consistent with this Lease, including demand consequent upon default termination, (c) the date of transmittal by Government to Lessee of a proposed supplemental agreement to confirm completed negotiations fixing the amount, or (d) if this Lease allows for revision of prices, the date of written notice to Lessee stating the amount of refund payable in connection with a pricing proposal or in connection with a negotiated pricing agreement not confirmed by lease supplement.

21. AGREEMENT. This Lease shall not be modified except in a single writing that is signed by both Lessee and Government. No oral statements or representation made by, or for, on behalf of either Lessee or Government shall be a part of this Lease. Should conflict arise between the provisions of this Lease and any attachment to it, or any other agreement between Government and Lessee, the provisions of this Lease shall take precedence.

22. FAILURE TO INSIST ON COMPLIANCE. The failure of Government to insist in any one or more instances upon performance of any of the terms, covenants, or conditions of this Lease shall not be construed as a waiver or relinquishment of Government's right to the future performance of any of those terms, covenants, or conditions and Lessee's obligations for their future performance shall continue in full force and effect.

23. DISPUTES.

23.1. This Lease is subject to the provisions of the Contract Disputes Act of 1978, as amended, (41 U.S.C. §§ 7101-7112) (the "Disputes Act").

23.2. Except as provided in the Disputes Act, all disputes arising under or relating to this Lease shall be resolved under this clause and the provisions of the Disputes Act.

23.3. "Claim", as used in this clause, means a written demand or written assertion by Lessee or Government seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of Lease terms, or other relief arising under or relating to this Lease. A claim arising under this Lease, unlike a claim relating to this Lease, is a claim that can be resolved under a Lease clause that includes the relief sought by the claimant. However, a written demand or written assertion by Lessee seeking the payment of money exceeding \$100,000 is not a claim under the Disputes Act until certified as required by Paragraph 23.4.2. A voucher, invoice, or other routine request for payment that is not in dispute is not a claim under the Disputes Act. The request may be converted to a claim under the Disputes Act by complying with the submission and certification requirements of this clause, if it is disputed either for liability or amount or is not acted upon in a reasonable time.

23.4.1. A claim by Lessee shall be made in writing and submitted within six (6) years after accrual of the claim to Government (or specify to whom the claim should be sent), for a written decision. A claim by Government against Lessee shall be subject to a written decision by Government (specify who will make the decision).

23.4.2. Lessee shall deliver the certification stated in Paragraph 23.4.2.2.2 when submitting any claim:

23.4.2.1. Exceeding \$100,000; or

23.4.2.2. Regardless of the amount claimed, when using:

23.4.2.2.1. Arbitration conducted pursuant to 5 U.S.C. §§ 575-580; or

23.4.2.2.2. Any other alternative means of dispute resolution (ADR) technique that the agency elects to handle in accordance with the Administrative Dispute Resolution Act (ADRA).

"I certify that the claim is made in good faith; that the supporting data is accurate and complete to the best of Lessee's knowledge and belief; that the amount requested accurately reflects the Lease adjustment for which Lessee believes the Government is liable; and that I am duly authorized to certify the claim on behalf of Lessee."

23.4.3. The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

23.4.4. The certification may be executed by any person duly authorized to bind Lessee for the claim.

23.5. For Lessee claims of \$100,000 or less, the Government must, if requested in writing by Lessee, render a decision within sixty (60) days of the request. For Lessee-certified claims over \$100,000, the Government must, within sixty (60) days decide the claim or notify Lessee of the date by which the decision will be made.

23.5.1. The decision of the Government shall be final unless Lessee appeals or files a suit as outlined in the Disputes Act.

23.6. At the time a claim by Lessee is submitted to the (specify), or a claim by Government is presented to Lessee, the Parties may agree to use alternative means of dispute resolution. When using arbitration conducted under 5 U.S.C. §§ 575-580 or when using any other ADR techniques that the agency elects to handle in accordance with ADRA, any claim, regardless of amount, shall be accompanied by the certification described in Paragraph 23.4.2.2. and executed in accordance with Paragraph 23.4.4.

23.7. Government shall pay interest on the amount found due and unpaid by it from (1) the date the Government point of contact designated in Paragraph 18 received the claim (properly certified if required), or (2) the date payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in the Federal Acquisition Regulation (48 C.F.R. § 33.201), interest shall be paid from the date that the Government point of contact designated in Paragraph 18 initially receives the claim. Simple interest on claims shall be paid at the rate fixed by the Secretary of the Treasury, as stated in the Disputes Act, which is applicable to the period during which the Government receives the claim and then at the rate applicable for each six (6) month period as fixed by the Secretary of the Treasury during the pendency of the claim.

23.8. Notwithstanding anything in this Paragraph, Lessee shall proceed diligently with the performance of this Lease pending final resolution of any request for relief, claim, appeal, or action arising under this Lease, and comply with any decision of the Government.

24. COVENANT AGAINST CONTINGENT FEES. Lessee warrants that no person or agency has been employed or retained to solicit or obtain this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by Lessee for the purpose of obtaining business. For breach or violation of this warranty, Government shall have the right to annul this Lease without liability or in its discretion to require Lessee to pay, in addition to the rent or consideration, the full amount of the commission, percentage, brokerage, or contingent fee.

25. LIENS. Lessee and each sublessee shall promptly discharge, or cause to be discharged, a valid lien, right *in rem*, claim, or demand of any kind, except one in favor of Government that at any time may arise or exist regarding the Leased Premises or materials or equipment furnished to it, or work done on it, or to any part of it, by Lessee's or any sublessee's use of the Leased Premises. If the lien, right, claim, or demand shall not be promptly discharged by Lessee or any sublessee, or should a petition be filed by or against Lessee or any sublessee in bankruptcy, or should Lessee or any sublessee file for liquidation or make an assignment on behalf of creditors, or should the leasehold estate be taken by execution, Government reserves the right to take immediate possession without any liability to Lessee or any sublessee. Lessee and any sublessee shall be responsible for any costs incurred by Government in obtaining clear title to its property due to their acts or omissions clouding the title.

26. TAXES. Lessee shall pay to the proper authority when and as the same become due and payable all taxes, assessments, and similar charges that, at any time during the term of this Lease may be imposed on the Leased Premises. 10 U.S.C. § 2667(f) contains the consent of Congress to the taxation of Lessee's interest in the Leased Premises, whether or not the Leased Premises are in an area of exclusive Federal jurisdiction. Should Congress consent to taxation of Government's interest in the Leased Premises, this Lease will be renegotiated.

27. SUBJECT TO EXISTING AND FUTURE EASEMENTS. This Lease, and each sublease, is subject to all outstanding easements and rights in the nature of an easement (collectively, "easements") for the location of any type of facility over, across, in, and upon all or any part of the Leased Premises, and to the right of Government to grant additional easements over, across, in and upon the Leased Premises for the public interest. However, Government shall coordinate with Lessee to minimize any impact to Lessee's operations, and any additional easement shall be conditioned on the assumption by its grantee of liability to Lessee for

damages that Lessee shall suffer for property destroyed or rendered unusable on account of the grantee's exercise of its easement rights. There is hereby reserved to the holders of outstanding easements or which may be granted later, to any workers officially engaged in the construction, installation, maintenance, operation, repair, or replacement of facilities located on the easement area, and to any Federal, state, or local official engaged in the official inspection of that work, reasonable rights of ingress and egress over the Leased Premises that may be necessary for the performance of their duties with regard to those facilities, subject to Paragraph 9.

28. INGRESS, EGRESS, PARKING AND SECURITY.

28.1. Lessee and any sublessees, and their employees, vendors, and invitees will be granted reasonable access to the Leased Premises under this Lease. As a condition, Lessee and sublessees, and their employees, vendors, and invitees, agree to adhere to all base rules and regulations regarding installation security, ingress, egress, safety and sanitation that may be prescribed from time to time by the Commander/Commanding Officer. Lessee and any sublessee and their employees, vendors, and business invitees, shall coordinate parking with the appropriate office of the installation. Lessee and its invitees and contractors agree to absorb all costs, including time and expense, associated with gaining access to the installation under the RAPIDGATE or similar program.

28.2. Installation Security. The Leased Premises is located on a secure Department of Navy installation and Lessee and any sublessee(s) are required to comply with all applicable security rules, regulations, and procedures issued by the installation Commander/Commanding Officer. All employees of Lessee or sublessee(s) that are required by the installation to do so, shall obtain appropriate clearance from the installation ("Clearance") to access the Leased Premises. Failure to obtain the required Clearance shall result in denial of access to the Leased Premises of Lessee's or sublessee's employees. Lessee and any sublessee(s) agree(s) to hold harmless Government from any liability of any nature for financial or other losses incurred by Lessee or any sublessees(s) by reason of Lessee's or any sublessee's employees failure to obtain Clearance for access to the Leased Premises. The prior sentence shall survive the termination of this Lease.

29. ADMINISTRATION. Except as otherwise stated in this Lease, the RECO shall have complete charge of the administration of this Lease, including granting any consents and approvals hereunder it, and shall exercise full supervision and general direction insofar as the interests of Government are affected.

30. DAMAGE TO THE LEASED PREMISES. In the event all or any part of the Leased Premises is damaged either directly or indirectly as a result of Lessee's use or occupancy, whether during the construction, operation, maintenance, or replacement, or removal of improvements or otherwise, due to acts or omissions of Lessee, its agents, contractors, or employees, Lessee shall, upon demand, either compensate Government for the loss or damage, or rebuild, replace, or repair the item or items of the Leased Premises or facilities so lost or damaged, as Government may elect.

31. APPLICABLE RULES AND REGULATIONS.

31.1. Lessee and any sublessee shall comply with all Federal, state, and local laws, regulations, ordinances and restrictions that are applicable, or may become applicable, to Lessee's or sublessee's activities on the Leased Premises. This includes, but is not limited to, laws and regulations concerning the environment, construction of facilities, health, safety, food service, water supply, sanitation, and any licenses and permits to conduct business. Lessee and any sublessee are responsible for obtaining and paying for permits required for its operations under this Lease. Lessee acknowledges that photovoltaic panels for use in the project as described in **Attachment B**, shall comply with Public Law 113-291.

31.2. Further, all activities authorized under this Lease shall be subject to rules, regulations, and procedures regarding installation security, supervision, or otherwise, that may, from time to time, be prescribed by the installation Commander/Commanding Officer.

32. SUBCONTRACTORS AND AGENTS FOR LESSEE. All Work involving Lessee facilities must be performed by skilled tradesmen who are accomplished at their craft and bonded against loss due to damages resulting directly or indirectly from work performed.

33. SURRENDER. Upon the expiration of this Lease or its prior termination, and subject to Paragraph 8, Lessee shall quietly and peacefully remove itself and its personal property from the Leased Premises and surrender possession to Government. With respect to Improvements, refer to Paragraph 8. However, in the event Government shall terminate this Lease upon less than ninety (90) days' notice, Lessee shall be allowed a reasonable period of time, as determined by the RECO, but in no event less than ninety (90) days from receipt of notice of termination, in which to remove all of personal property from, and terminate its operations on, the Leased Premises. During the period prior to surrender, all obligations assumed by Lessee under this Lease shall remain in full force and effect; provided, however, that if Government shall in its sole discretion, determine that any action is equitable under the circumstances, it may suspend, in whole or in part, any further accruals of rent, if any, or maximum amount to be expended between the date of termination of this Lease and the date of final surrender of the Leased Premises. Government may, in its

discretion, declare any personal property that has not been removed from the Leased Premises upon termination as abandoned upon an additional ninety (90) days' notice.

34. RECORDING. If a statutory short form or memorandum of this Lease is required or requested by the Lessee to be recorded, Lessee shall cause it to be prepared and recorded at its expense. In no event shall Lessee cause this entire Lease to be recorded, and a recordation of this entire Lease by Lessee shall constitute a breach of this Lease.

35. FEDERAL FUNDS. This Lease does not obligate any appropriated funds.

36. HEADINGS. The headings of paragraphs in this Lease are used solely for ease of reference. They may not be used to construe the meaning of all or any part of a paragraph.

37. ATTACHMENTS. Attachments to this Lease are set forth below:

- A. The Leased Premises
- B. Renewable Energy Generation Project Technical Information
- C. Environmental Condition of Property Document
- D. Rent Schedule
- E. N/A
- F. Public Service Utility Order
- G. Environmental Protective Measures

IN WITNESS WHEREOF, the Parties have, on the respective dates set forth below, duly executed this Lease as of the day and year first above written.

GOVERNMENT

WITNESS:

THE UNITED STATES OF AMERICA, acting
by and through the Secretary of the Navy

By: _____

(Print Name)

By: _____
RECO NAME
Real Estate Contracting Officer
NAVFACENGCOM DIVISION

Date: _____

Date: _____

LESSEE

WITNESS:

COMPANY

By: _____
WITNESS NAME
Title
Division
Company

By: _____
LESSEE SIGNATORY
Title
Division
Company

Date: _____

Date: _____

I certify that the person who signed this Lease on behalf of Lessee was then the duly elected or appointed officer indicated, and this Lease was duly signed for and on behalf of Lessee by authority of its governing body and is within the scope of its corporate powers.

(CORPORATE SEAL)

Signature

Title

Date