

EXHIBIT J

ENVIRONMENTAL PROTECTION PROVISIONS

1. USE OF THE PROPERTY

The sole purpose for which premises and improvements thereon may be used, absent written approval from the Lessor for any other use, is for commercial/industrial use.

2. SUBSEQUENT TRANSFERS

The Lessee shall neither transfer nor assign this lease or any interest therein or any property on the leased premises, nor sublet the leased premises or any part thereof or any property thereon, nor grant any interest, privilege, or license whatsoever in connection with this lease without the prior written consent of the Lessor. Such consent shall not be unreasonably withheld or delayed. Every lease or sublease shall contain the environmental protection provisions contained herein.

3. REGULATORY OR ENVIRONMENTAL PERMITS

The Lessee shall be solely responsible for obtaining at its own cost and expense any regulatory or environmental permits required for its operation under the lease, independent of any existing Riverbank Army Ammunition Plant (hereinafter "RBAAP") permits. The Lessee shall also be required to obtain its own EPA Identification Number if applicable.

4. LESSEE COMPLIANCE

The Lessee shall comply with all lawful statutes, regulations, permits, or orders affecting the activity hereby authorized when such are issued by the Environmental Protection Agency; the California Department of Toxic Substances Control (DTSC); the Regional Water Quality Control Board (RWQCB); or any other Federal, State, interstate, or local government agency having jurisdiction to abate or prevent pollution. The disposal of any toxic or hazardous materials within the leased premises by the Lessee or any sublessee is prohibited.

5. INTERERENCE WITH ON-GOING RESTORATION

The Lessee shall not disrupt, inflict damage, obstruct, or impede on-going environmental restoration work on the leased premises or anywhere else on RBAAP. The Lessee shall indemnify the Government for any costs incurred as a result of Lessee's breach of this provision.

6. LESSOR ACCESS CLAUSE

The Lessor's rights under this Interim Lease specifically include the right of the Lessor to inspect, upon reasonable notice, the Leased Premises for compliance with environmental, safety, and occupational health laws and regulations, whether or not the Lessor is responsible for enforcing them. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections. The Lessor normally will give the 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. The Lessee shall have no claim against the United States or any officer, agent, employee, or contractor thereof on account of any entries.

7. FEDERAL FACILITIES AGREEMENT AND HAZARDOUS WASTE FACILITY PERMIT

The Lessor acknowledges that the RBAAP has been identified as a National Priorities List (NPL) site under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended. The Lessor also acknowledges that RBAAP has been issued a Hazardous Waste Facility Permit (Permit) by DTSC. The Lessee acknowledges that the Lessor has provided it with a copy of the RBAAP Federal Facility Agreement (FFA) dated April 5, 1990, the Hazardous Waste Facility Permit, dated May 6, 2006, and any subsequent modifications to both documents. For so long as the Property remains subject to the FFA and the Permit, the Lessee, its successors and assigns, agree that they will not interfere with United States Department of the Army activities required by the FFA and the Permit. In addition, should any conflict arise between the FFA or the Permit, as they presently exist or may be amended, and the lease provisions, the FFA or Permit provisions shall take precedence. The Lessee further agrees that notwithstanding any other provision of the Interim Lease, the Lessor assumes no liability to the Lessee should implementation of the FFA or Permit interfere with the Lessee's use of the Leased Premises. The Lessee shall have no claim on account of any such interference against the United States or an officer, agent, employee or contractor thereof, other than for abatement of rent.

8. CERCLA ACCESS CLAUSE

The Lessor and its officers, agents, employees, contractors, subcontractors, and state and federal regulatory officials shall have the right, upon reasonable notice to the Lessee, to enter upon the Leased Premises in any case in which a response or corrective action is found to be necessary, or is in progress on the Leased Premises, or such access is necessary to carry out a response or corrective action on adjoining property. Right of access includes, without limitation, the right to perform any environmental investigation, survey, monitoring, sampling, testing, drilling, boring, coring, testpitting, installing monitoring or pumping wells or other treatment facilities, response action, corrective action, or any other action necessary for the Lessor to meet its responsibilities under applicable laws and as provided for in this Interim Lease.

9. LESSEE COMPLIANCE DURING RESPONSE OR CORRECTIVE ACTION

The Lessee agrees to comply with the provisions of the appropriate health or safety plan in effect during the course of any of the above-described actions. Any inspection, survey,

investigation, or other corrective or response action will, to the extent practicable, be coordinated with representatives designated by the Lessee or any sublessees. The Lessee and sublessees shall have no claim, on account of such entries, against the United States or any officer, agent, employee, contractor, or subcontractor thereof. In addition, the Lessee and any sublessees shall comply with all the applicable Federal, State and local occupational safety and health regulations.

10. ENVIRONMENTAL COMPLIANCE PLANS

The Lessee shall submit to the Lessor, and maintain thereafter, an Environmental Compliance Plan which describes, in detail, the program for environmental management and method of compliance, by the user of any portion of the Leased Premises, whether Lessee, with all Lessor, Federal, State, and local laws and regulations for the use, management, generation, storage, treatment, and disposal of all hazardous waste, hazardous materials, and hazardous substances. Each Environmental Compliance Plan for a portion of the Leased Premises, or request for waiver of the requirement for a plan due to the non-hazardous nature of the proposed use, must be submitted and approved in writing by the Lessor prior to occupancy of the intended portion of the Leased Premises. Thereafter, each such Environmental Compliance Plan shall be incorporated in the Interim Lease, and shall be included as an exhibit in the relevant sublease(s). The Lessee shall be responsible for the overall compliance of its operations. The Lessee shall be responsible for ensuring the preparation of all documents, records, and reports associated with the environmental compliance of its operation. No liability or responsibility shall attach to the Leased Premises or the Lessor as a result of the Lessor's review and approval of the Environmental Compliance Plan under this paragraph.

The Lessee further agrees that in the event of any assignment or sublease of the leased Premises, it shall provide to the EPA Region 9, DTSC, and the Regional Water Quality Control Board a copy of the assignment or sublease of the Leased Premises, by certified mail, within 14 days after the effective date of such transaction. The Lessee may delete the financial terms and any other proprietary information from the copy of any assignment or sublease furnished pursuant to this condition.

11. LAND USE RESTRICTIONS

- A. The United States Department of the Army has undertaken careful environmental study of the Leased Premises and concluded that the land use restrictions set forth below are required to ensure protection of human health and the environment. The Lessee shall not undertake nor allow any activity on or use of the Leased Premises that would violate the land use restrictions contained herein.
 - 1) **Residential Use Restriction.** The Lessee shall not use the Leased Premises for residential purposes. For purposes of this provision, residential use includes, but is not limited to: single family or multi-family residences; child care facilities; nursing home or assisted living facilities; and any type of educational purpose for children/young adults in grades kindergarten through 12.
 - 2) **Groundwater Restriction.** Lessee is hereby informed and acknowledges that the groundwater under the Leased Premises has contamination consisting of chromium and cyanide at levels exceeding the remediation level State Drinking

Water Standard (DWS) maximum contaminant level (MCL) of 10 parts per billion (ppb) for hexavalent chromium and 200 ppb for cyanide. The Lessee shall not to access or use ground water underlying the Leased Premises for any purpose without the prior written approval of the United States Department of the Army, the U.S. Environmental Protection Agency, Region 9, the Department of Toxic Substances Control, and the Regional Water Quality Control Board, Central Valley Region. For the purpose of this restriction, "ground water" shall have the same meaning as in section 101(12) of CERCLA.

- Notice of Groundwater Monitoring Wells.** The Lessee is hereby informed and does
- 3) acknowledge the presence of 100 groundwater monitoring wells, injection wells, and extraction wells on the Leased Premises. The Lessee shall not disturb or permit others to disturb the monitoring wells and extraction wells located on the Leased Premises without prior written approval from the Lessor, the U.S. Environmental Protection Agency, Region 9, the Department of Toxic Substances Control, and the Regional Water Quality Control Board, Central Valley Region. Upon the Lessor's determination that a well is no longer necessary, the Lessor will close such well at the Lessor's sole cost and expense in accordance with applicable laws, regulations, and ordinances.
 - 4) **Excavation and Development Restriction.** The Lessee shall not conduct or permit others to conduct any excavation activities (i.e. digging, drilling, or any other excavation or disturbance of the land surface or subsurface) at the former Industrial Wastewater Treatment Plant (IWTP), or any other activities that may damage the IWTP cover, without prior written approval of the Lessor, the U.S. Environmental Protection Agency, Region 9, the Department of Toxic Substances Control, and the Regional Water Quality Control Board, Central Valley Region. The IWTP is a closed former RCRA site. The regulatory prescribed remedy at the IWTP (cover) shall remain in place. Any damage to this cover shall be promptly repaired. Any proposed alteration to the cover requires Lessor approval prior to execution of the alteration. No subsurface activities shall be permitted within the IWTP area.
 - 5) **Landfill Restriction.** The Lessee shall not conduct or permit others to conduct any excavation activities (i.e. digging, drilling, or any other excavation or disturbance of the land surface or subsurface) at the landfill, or any other activities that may damage the RBAAP-01 Landfill soil cover and liner. The Lessee or any approved contractor, shall not construct, make, or permit any alterations, additions, or improvements to the landfill in any way that may violate this restriction.

B. Modifying Restrictions. Nothing contained herein shall preclude the Lessee from undertaking, in accordance with applicable laws and regulations and without any cost to the Lessor, such additional action necessary to allow for other less restrictive use of the Leased Premises. Prior to such use of the Leased Premises, the Lessee shall consult with and obtain the approval of the Lessor, and, as appropriate, the State or Federal regulators, or the local authorities in accordance with these Environmental Protection

Provisions. Upon the Lessee's obtaining the approval of the Lessor and, as appropriate, State or Federal regulators, or local authorities, the Lessor agrees to revise this Interim Lease.

C. **Submissions.** The Lessee shall submit any requests for modifications to the above restrictions to the Lessor, EPA, DTSC, and the Regional Water Board, by first class mail, postage prepaid, addressed as follows:

- a. Lessor: Commander's Representative
Riverbank Army Ammunition Plant
P.O. Box 670
Riverbank, CA 95367-0670
- b. EPA: Chief, Federal Facility and Site Cleanup Branch
Superfund Division
U.S. Environmental Protection Agency, Region IX
75 Hawthorne Street, Mail Code: SFD-8-3
San Francisco, CA 94105
- c. DTSC: Chief of Northern California Operations
Office of Military Facilities
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, CA 95826-3200
- d. Regional Water Board:
Executive Officer
State of California
Regional Water Quality Control Board
Central Valley Region
11020 Sun Center Drive, Suite #200
Rancho Cordova, CA 95670-6114

12. HAZARDOUS WASTE MANAGEMENT

The Lessee shall not store or dispose of hazardous materials on the Leased Premises unless authorized under 10 U.S.C. § 2692. The Lessee shall strictly comply with hazardous waste management requirements under RCRA and the State of California Hazardous Waste Management Rules, including proper hazardous waste characterization, labeling, storage, disposal, and documentation requirements. Except as specifically authorized by the Lessor in writing, the Lessee must provide, at its own expense, such hazardous waste management facilities, as needed to maintain compliance with all laws and regulations. Lessor hazardous waste management facilities shall not be available to the Lessee.

13. EXISTING HAZARDOUS WASTE

The Lessee shall not use RBAAP hazardous waste accumulation points. Neither shall the Lessee

permit its hazardous wastes to be commingled with the Lessor's hazardous waste.

14. LESSEE RESPONSE PLAN

The Lessee shall submit to the Lessor, and maintain thereafter, a plan for responding to hazardous waste, fuel, and other chemical spills prior to commencement of operations on the Leased Premises. Such plan shall be independent of the Lessor's Spill Contingency Plan and, except for initial fire response and/or spill containment, shall not rely on use of RBAAP installation personnel or equipment. Should the Lessor provide any personnel or equipment, whether for initial fire response and/or spill containment, or otherwise on request of the Lessee, or because the Lessee was not, in the opinion of the Lessor, conducting timely cleanup actions, the Lessee agrees to reimburse the Lessor for its response costs.

15. ALTERATIONS, ADDITIONS AND IMPROVEMENTS TO THE LEASED PREMISES

The Lessee shall not construct, make or permit any alterations, additions, or improvements to the Leased Premises in any way which may adversely affect the Lessor's investigations, restoration, or human health or the environment without prior written consent of the Lessor. Such consent may include a requirement to provide the Lessor with a performance and payment bond and such other requirements as may be deemed necessary to protect the interests of the Lessor. Except as such written approval shall expressly provide otherwise, all such approved alterations/additions/modifications shall become the Lessor's property when annexed to the Leased Premises.

16. NOTICE OF THE PRESENCE OF ASBESTOS AND COVENANT

a. The Lessee is hereby informed and does acknowledge that friable and non-friable asbestos or asbestos-containing materials (ACM) have been found on the Leased Premises, as described in the Condition Survey, attached as **Exhibit E**. To the best of the Lessor's knowledge, the ACM on the Leased Premises does not currently pose a threat to human health or the environment.

b. In addition to the Lessee's general indemnity contained in Condition No. 16, titled "Indemnity and Hold Harmless," above, the Lessee covenants and agrees that its use and occupancy of the Leased Premises shall comply with all applicable laws relating to asbestos and ACM. The Lessee similarly covenants and agrees that the Lessor assumes no liability for future remediation of asbestos, or for damages for personal injury, illness, disability, or death of the Lessee, its sublessees, successors or assigns or any other person, including members of the general public, arising from, or incident to, the lease, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever with asbestos on the Leased Premises, whether the Lessee, its successors or assigns have properly warned or failed to properly to warn the individual(s) injured. The Lessee agrees to properly manage the ACM on the Leased Premises during the duration of the Interim Lease and to be responsible for any future remediation or abatement of any asbestos hazard found to be necessary on the Leased Premises.

C. The Lessee acknowledges that it has inspected or has had the opportunity to inspect the Leased Premises as to its asbestos and ACM content and condition, and any hazardous or environmental conditions relating thereto. The Lessee shall be deemed to have relied solely on its own judgment in assessing the overall condition of all or any portion of the Leased Premises, including, without limitation, any asbestos or ACM hazards or concerns.

17. NOTICE OF THE PRESENCE OF LEAD-BASED PAINT (LBP) AND COVENANT AGAINST THE USE OF THE PROPERTY FOR RESIDENTIAL PURPOSE

a. The Leased Premises do not contain residential housing and are not being leased for residential purposes. The Lessee is notified that the Leased Premises contain buildings built prior to 1978 that contain lead-based paint. Exposure to lead from lead-based paint may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. A risk assessment or inspection by Lessee for possible lead-based paint hazards is recommended prior to its execution of this Interim Lease.

b. Information concerning known lead-based paint and/or lead-based paint hazards, a list of the location of lead-based paint and/or lead-based paint hazards, and a chart showing the condition of painted surfaces are contained in the Condition Survey (Phase 1, Section 4.7), attached hereto as **Exhibit E** and previously provided to the Lessee. Additionally, the Lessee has been provided a copy of the federally-approved pamphlet on lead poisoning prevention. The Lessee hereby acknowledges receipt of all the information described in this paragraph.

c. The Lessee acknowledges that it has had the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards prior to execution of this Interim Lease.

d. The Lessee shall not permit use of any existing buildings or structures on the Leased Premises for residential habitation.

18. PCB NOTIFICATION AND COVENANT

a. The following PCB-containing equipment is located on the Leased Premises: electrical transformers. This equipment is operational, properly labeled in accordance with federal and state regulations, and has been determined not to be leaking. A list of electrical transformers containing PCBs in excess of 50 parts per million (ppm) is presented in **Exhibit G** hereto. In addition, PCBs are present in the paint and coating on the exterior siding of several buildings.

b. Sampling results have detected PCBs above Toxic Substances Control Act (TSCA) criteria in several locations within and adjacent to buildings in the main plant area of the RBAAP and within the soil of Parcels 1 and 1A. The Lessor and Lessee intend to remove PCBs from these areas by use of an environmental remediation contractor working under an ESCA.

c. Two sites have been investigated and removal actions completed to address PCB contamination in soils. These sites include a location containing transformer oil storage tanks and a distribution system designated as Site AOC-8-B and an electrical substation transformer pad designated as Site AOC-16; see **Exhibit G**. Remedial activities are complete and no further action is required at these sites. Five additional locations were investigated for PCBs in a 2007 site investigation that found each site below the TSCA remediation requirements for PCBs and no further action was required.

d. If the Lessee causes, creates or exacerbates a release of PCBs from any equipment located within the Leased Premises the Lessee agrees to undertake any and all necessary abatement or remediation costs at its sole expense.

e. The Lessee assumes no obligation under this Interim Lease for the maintenance or disposal of out-of-service electrical equipment consisting of transformers and circuit breakers currently stored on the Leased Premises at the locations shown on **Exhibit I**, Out-of-Service Equipment Locations, attached hereto and made a part hereof.

19. "AS IS"

- A. The Lessee acknowledges that it has inspected or has had the opportunity to inspect the leased Premises and accepts the condition and state of repair of the Leased Premises. The Lessee understands and agrees that the Leased Premises and any part thereof is leased "AS IS" without any representation, warranty, or guarantee by the Lessor as to quantity, quality, title, character, condition, size, or kind, or that the same is in condition or fit to be used for the purpose(s) intended by the Lessee, and no claim for allowance or deduction upon such grounds will be considered.
- B. No warranties, either express or implied, are given with regard to the condition of the Leased Premises, including, without limitation, whether the Leased Premises does or does not contain asbestos, lead-based paint, or PCB-containing materials. The Lessee shall be deemed to have relied solely on its own judgment in assessing the overall condition of all or any portion of the Leased Premises, including, without limitation, any asbestos, lead-based paint, PCB-containing materials, or other conditions on the Leased Premises. The failure of the Lessee to inspect, or to exercise due diligence to be fully informed as to the condition of all or any portion of the Leased Premises, will not constitute grounds for any claim or demand against the Lessor.
- C. Nothing in this "As Is" provision will be construed to modify or negate the Lessor's obligation under the CERCLA or any other statutory obligations.

20. HOLD HARMLESS

- A. To the extent authorized by law, the Lessee, its successors and assigns, covenant and agree to indemnify and hold harmless the Lessor, its officers, agents, and employees from: (1) any and all claims, damages, judgments, losses, and costs, including fines and penalties, arising out of the violation of the Environmental Protection Provisions in this Interim Lease by the Lessee, its successors and assigns; and (2) any and all any and all claims, damages, and judgments arising out of, or in any manner predicated upon, human exposure to asbestos, lead-based paint, PCB-containing materials, or other condition on any portion of the Leased Premises after the Effective Date of this Interim Lease.

- A. The Lessee, its successors and assigns, covenant and agree that the Lessor shall not be responsible for any costs associated with modification or termination of the Environmental Protection Provisions in this Interim Lease, including without limitation, any costs associated with additional investigation or remediation of asbestos, lead-based paint, PCB-containing materials or other condition on any portion of the Property.

- B. Nothing in this Hold Harmless provision will be construed to modify or negate the Lessor's obligation under CERCLA or any other statutory obligations.