

DISCLOSURE OF ENVIRONMENTAL HAZARDS

This will serve as an Addendum to the Lease Agreement dated _____, between Homeport Hampton Roads, LLC, Owner, and _____, (“Tenant”), regarding property located at _____, (the “Premises”). Any capitalized terms not otherwise defined herein shall have the meanings set forth in the Lease Agreement.

Tenant understands and acknowledges that the Owner has not initiated any investigation or inspection of the property with regard to environmental matters, except as set forth in the reports described below. Tenant understands and acknowledges that both Tenant and Owner are relying solely on the environmental reports prepared by outside consultants and referenced below as the only investigation and inspection initiated by the Owner with respect to these matters.

Installation Restoration Program Sites

The United States Environmental Protection Agency (“EPA”) and the Department of the Navy (“NAVY”) have investigated several areas at Naval Station Norfolk (“NAVSTA Norfolk”) where hazardous substance disposal or releases may have occurred in the past. Hazardous waste disposal sites at NAVSTA Norfolk are investigated under the Department of Defense’s (“DoD’s”) Installation Restoration Program (“IRP”), in compliance with the requirements of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq., for former waste sites, and the Resource Conservation and Recover Act, 42 U.S.C. 6901 et seq., for sites associated with ongoing operations. The purpose of the IRP Program is to identify and clean up contamination in order to protect human health and the environment. Several IRP sites have been identified at NAVSTA Norfolk, including landfills, drum storage areas, transformer storage areas, work areas, slag piles, pesticide disposal areas and a salvage yard. In addition, several other potentially contaminated areas have been identified as solid waste management units (“SWMUs”). Most of the IRP and SWMU sites are situated in the northwest section of NAVSTA Norfolk; others are located in closer proximity to the Premises. Schedule 1 contains a map identifying the location of the various IRP and SWMU sites at NAVSTA Norfolk that are described below;

- IRP Site 1 (Camp Allen Landfill Areas A and B) is a former landfill site that was in operation from the early 1940s to 1975 and consists of two parcels, Landfill Area A and Landfill Area B. Landfill Area A, which covers 45 acres, was used for refuse disposal and received materials such as metal cleaning sludge, residues from organic solvents and paint stripping, fly ash from a power plant, as well as general trash and debris. A Remedial Investigation and Feasibility Study for Landfill Area A was completed in 1994, resulting in a Decision Document requiring treatment of soil and groundwater. In July 1997, a groundwater pump-and-treat system was installed, followed by a dual-vapor extraction system in May 1998. Annual groundwater and surface water monitoring began in 1999. Landfill Area B is a 2-acre site that historically received various wastes, including chemical storage drums that were disposed there following a fire at the Camp Allen Salvage Yard in 1971. In 1994-1995, a removal action targeting contaminated soil, debris, and buried drums was conducted at this site.
- IRP Site 22 (Camp Allen Salvage Yard) is the site of a former salvage yard that operated from the 1940's to 1995. Waste oils, acids, paint thinners, pesticides, transformers, and miscellaneous chemicals and equipment were stored at this site. Contaminants of concern at this site include semi-volatile organic compounds, pesticides, polychlorinated biphenyls, metals, arsenic, and antimony. A Preliminary Assessment/Site Investigation was conducted at this site in 1994, and an RI was completed in 1998. As of 2003, a feasibility study, expected to result in a Record of Decision, was underway.
- SWMU 26 is located in the immediate vicinity of Buildings NH-141 and NH-142. Historic aerial photographs indicate mounds of unspecified light-toned materials situated at this site. Soil sampling in 1994 and 1995 did not identify any contamination, and further investigation resulted in a consultant's determination that no further action was needed.
- SWMU 40 (MCA 603 Pits), the precise location of which is unknown but believed to be in the vicinity of the Camp Allen tennis courts or recreational field, is the site of soil and groundwater contamination. In 1996, four soil samples taken from this site

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were found to contain concentrations of arsenic (which may be naturally occurring), while six groundwater samples contained antimony and thallium at concentrations exceeding cleanup values. No further action is reportedly required at this site.

Huitt-Zollars, Inc. conducted Phase I Environmental Site Assessments of the properties on which Buildings J-53, SP-29, NH-141, NH-142, NH-156 are currently located as well as properties designated for the development of Bachelor Enlisted Quarters at Camp Allen, Camp Elmore, and downtown Newport News, dated December 2006. Huitt-Zollars, Inc. further prepared Phase I ESA update reports for these properties in July 2007. In addition, Huitt-Zollars, Inc. prepared a Phase II Environmental Site Assessment of the Camp Allen and Camp Elmore properties, dated July 2007. These reports are available for Tenant to review at the Agent's office listed in the lease.

Accordingly, the Owner warns Tenant that the aforementioned sites may contain potentially hazardous contaminants in soil and groundwater that could present risks to human health if exposure occurs. Tenants are warned not to dig, garden, landscape, or perform any other subsurface activities in these areas (as delineated in Schedule 1) and to prevent children from performing any of these prohibited activities as well.

Owner and any agent named below certify that to the best of their knowledge the above information and statements made or provided by them, respectively, are true and accurate. Tenant signing below understands and acknowledges this Disclosure and has considered this information prior to signing the Lease Agreement.

Tenant

Homeport Hampton Roads, LLC
Agent for Owner

By: _____

Date: _____

Date: _____