State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
101 S. Webster Street
Box 7921
Madison WI 53707-7921

Scott Walker, Governor
Daniel L. Meyer, Secretary
Telephone 608-266-2621
Toll Free 1-888-936-7463
TTY Access via relay - 711

October 25, 2017

Mr. Drew Bennett
Tesla
3500 Deer Creek Road
Palo Alto, CA 94304

Subject: Lease Liability Clarification Letter as to Environmental Liability for Tesla Motors, Inc. for electric vehicle charging facility that will be located at 171 West Town Square Way (fka 7929 S. Howell Avenue), Oak Creek, WI 53154
BRRTS #: 07-41-580225, FID #: 241045750

Dear Mr. Bennett:

The Wisconsin Department of Natural Resources ("DNR") received a request for liability clarification from Black Mountain Consulting, LLC, on behalf of Tesla Motors Inc. ("Tesla") dated September 12, 2017 ("Request"). The purpose of this letter is to provide Tesla clarification as to environmental liabilities associated with the licensing of real property from Meijer Stores Limited Partnership ("Meijer"). The subject property is located at 171 West Town Square in Oak Creek, Wisconsin. The DNR has completed its review of environmental reports and a license agreement as part of the Request.

Specifically, you have requested that the DNR determine that Tesla would not be held responsible under the Hazardous Substance Spills Law, Wis. Stat. § 292.11 ("the Spills Law"), for the investigation and cleanup of a hazardous substance that was discharged on the licensed property prior to the license agreement being signed by Tesla, as licensee, and Meijer, as licensor.

Property Use

The parent property is located at 171 West Town Square Way in Oak Creek. Tesla is licensing a portion of the Meijer parking lot (the "Property"). The Property is depicted in the maps provided by Tesla included in **Attachment A**. The Property is being licensed by Tesla for use as an electric vehicle charging station with associated utilities and underground circuity.

Lease

The agreement, "Parking Lot License for a Specified Licensed Premises" (the "Agreement"), between Meijer and Tesla is attached hereto as **Attachment B**. The Agreement submitted with this Request, dated in the document footer as February 22, 2017, was signed and executed on September 21, 2017. The Agreement is described as Exhibit A to the Master Parking Lot License, which has not been provided to the DNR.

Background

As you are aware, Wis. Stat. § 292.55(1)(d)1 authorizes the DNR to issue a letter to a person seeking assistance concerning the liability of a person owning or leasing a property for environmental pollution of the property. Specifically, the DNR has reviewed the following documents in order to make this determination:

- Lease Liability Clarification Letter Request, Proposed Tesla EV Charging Facility, 171 W. Town Square Way, Oak Creek, WI, BRRTS # 02-41-561200 & 07-41-580225 dated September 20, 2017, including cover letter, Completed Form 4400-237 and maps.
- Phase II Environmental Site Assessment summary, July 31, 2017, from GZA GeoEnvironmental.
- Parking Lot License for a Specific Licensed Premises, Exhibit A, dated in the document footer as February 22, 2017 signed and executed on September 21, 2017.

The proposed Tesla project is located in Area A of the Drexel Town Square (171 W. Town Square Way, Oak Creek, WI). The Drexel Town Square ("DTS") was formerly known as Delphi Automotive Systems. Delphi developed the site for manufacturing operations from 1956 to 2008. Major production operations included sheet metal, forming, welding and assembly. All of the former buildings and structures associated with the Delphi operations have been removed and the DTS site has been regraded for redevelopment. Area A has been redeveloped with a large commercial facility, the Meijer Store Building.

Contamination at DTS, as well as Area A, consisted of volatile organic compounds (VOCs), polycyclic aromatic hydrocarbons (PAHs), polychlorinated biphenyl (PCB) spill and metals impacts due to historical activities. Extensive investigation was conducted; soil contamination was removed by excavation. Residual impacts remain in-place in some areas of the site and have been capped with redevelopment features to protect against direct contact. The plume of contaminated groundwater is stable or receding. Area A is currently an open case therefore no continuing obligations for cap maintenance are currently imposed; however, Area A is ready for closure pending submittal of revised information.

The installation of a Tesla Electric Charging Station is proposed in the north/northeastern portion of Area A. Electric utilities are to be installed using trenching (approximately 140 feet total length at 4 feet below ground surface or less). Based on the soil table provided by GZA in the trenching area, all contaminants were either not detected or are below non-industrial direct contact Residual Contaminant Levels (RCLs) or Background Threshold Values (BTVs). Due to site grading of combined uncontaminated soils (below non-industrial direct contact RCLs or BTVs) and contaminated soils (above non-industrial direct contact RCLs or BTVs), a cap is required on the entire site as a condition of case closure (unless adequate soil sampling is conducted to demonstrate that a cap is not required). The site owner chose to implement a cap rather than to continue conducting additional soil sampling to show that not all portions of the site received impacted soils and/or requires a cap. The cap for this site is required to prevent direct contact with contaminated soil; however, the residual contaminated soil in the trenching area is beneath the depth where the trenching and construction will occur. The trenching will disrupt the cap, however the project was conducted with DNR knowledge and technical approval wasn't

needed because the closure requirements are not yet in effect and no contaminated soil was removed from the area. It is the understanding of the DNR that the construction of the charging stations is expected to be completed by October 28, 2017, and the charging stations, parking lot and landscaping that is serving as part of the direct contact cap/barrier will be restored as proposed at that time.

Determinations

The DNR has reviewed the reports and the terms of the Agreement between Tesla as licensee, and the Meijer, as licensor, and determined that Tesla, as licensee under the Agreement, does not "possess or control," as those terms are used in Wis. Stat. § 292.11(3), any hazardous substance discharges that were present on the Property prior to signing the Agreement, conditioned on compliance with the following standards of performance:

- Tesla must provide any responsible party, their consultants, and DNR personnel with reasonable access to the Property for the purposes of conducting any necessary environmental assessment or remediation activities.

- Tesla or its representatives, agents or contractors, must comply with all applicable state and federal laws that apply if they conduct any excavation, storage, treatment, or disposal of contaminated soils, groundwater, or other materials on the Property.

- Tesla must minimize, to the extent practicable, the placement of any structures in areas of the Property impacted by environmental contamination, or construct buildings in such a manner as to allow remedial work to be conducted.

- Tesla must comply with the requirements of Wis. Stat. § 292.11 and the Wis. Admin. Code chs. NR 700-754 for the discharge of any hazardous substances that may be caused by Tesla or their contractors.

- Tesla has not and will not have direct or indirect business relationships (other than as licensee under the Agreement for the Property) with the person or persons who caused the discharge of any hazardous substance on the Property.

- There are no relevant provisions in the Master Parking Lot License that would alter the DNR's analysis.

Under these conditions, the DNR agrees not to hold Tesla in its capacity as a licensee under the Agreement responsible for investigating or remediating any hazardous substances that are present on, or migrated from or onto, the Property prior to the date of the Agreement, unless any of the aforementioned conditions are not satisfied.

Any determinations made by the DNR in this letter are based specifically on the information made available to the DNR as part of the Request, and are subject to change if modifications are made to the License or other information arises. Any property located outside of the area identified as the Property

for the purpose of issuing this Lease Liability Clarification Letter is not covered by this letter and would require a request be made for a Lease Liability Clarification Letter for the specific revised area. This letter was written specifically for Tesla and is not transferrable to another person or entity.

The Bureau for Remediation and Redevelopment Tracking System (BRRTS) identification number for this activity is included at the top of this letter. The DNR tracks information on all determinations such as this one in a database that is available on the Internet at: http://dnr.wi.gov/topic/Brownfields/clean.html. See "BRRTS on the web" on the right side of the page.

You are reminded that this determination does not relieve you of obligations to comply with all other applicable, federal, state and local laws, regulations, and permits.

If you have any questions concerning this letter or other related matters, please contact me at 414-263-8697 or Eric Amadi, the DNR Project Manager assigned to the Property, at 414-263-8639.

Sincerely,

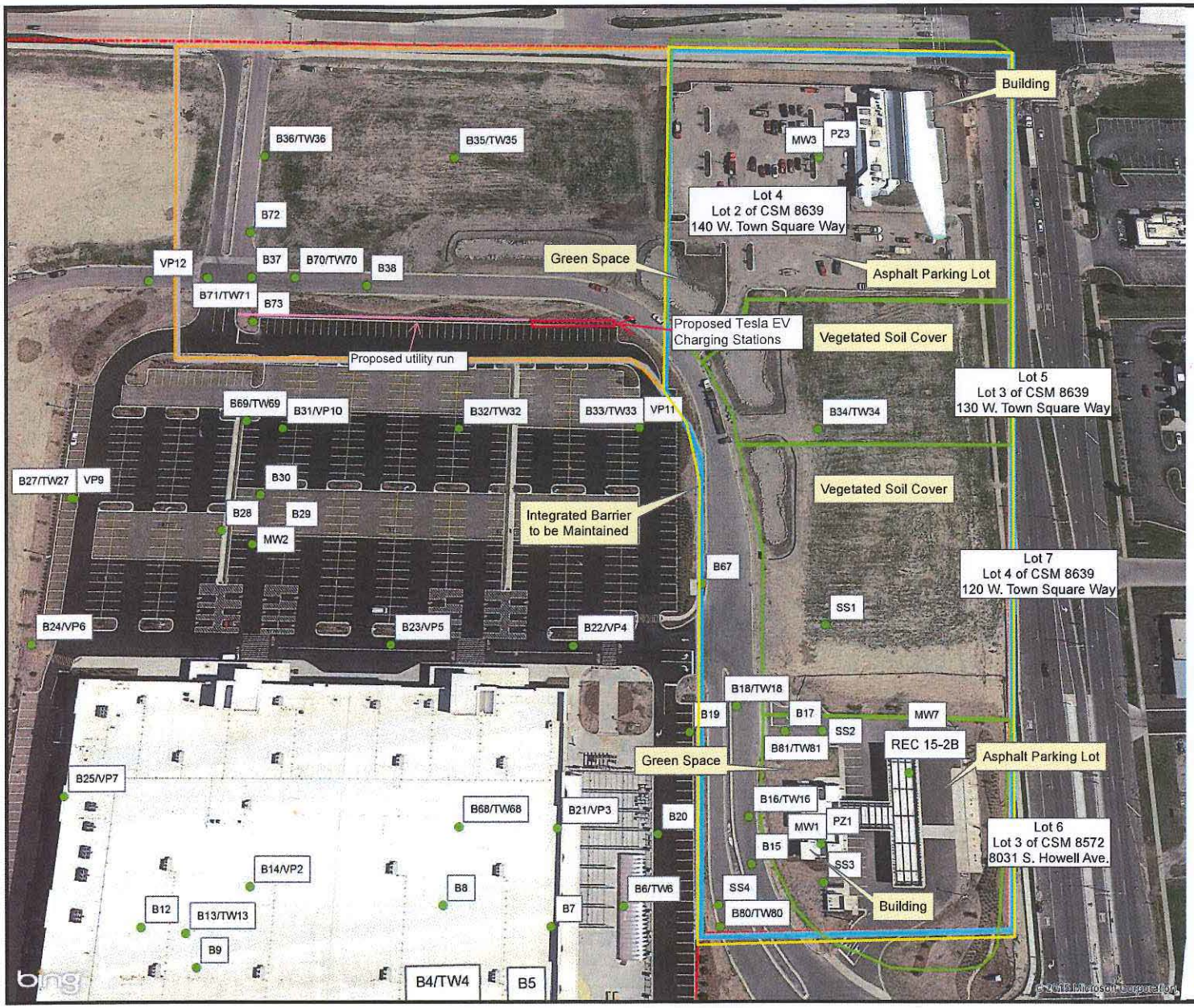
Michele R. Norman

Michele R. Norman
Southeast Region Team Supervisor
Remediation & Redevelopment Program

Attachments:

A. Proposed Tesla Facility Layout Maps for Electric Vehicle Charging Stations
B. License Agreement: Exhibit A - PARKING LOT LICENSE FOR A SPECIFIC LICENSED PREMISES (dated in the document footer as February 22, 2017)

cc: John Estrem, Black Mountain Consulting LLC
Eric Amadi, SER



Legend

- Soil Boring Locations
- Current Boundary: Light Commercial - Area B (Eastern Portion) [BRRTS No. 02-41-561201]
- Current Boundary: Light Commercial - Area B (Northern Portion) [BRRTS No. to be assigned]
- Lot Boundaries
- Previous Boundary: Light Commercial - Area B
- Property Boundary

Notes:

1. Nickel was detected in soil samples across the site in exceedance of the NR 720 Groundwater Pathway RCL, but was not detected in post-redevelopment groundwater samples above the NR 140 Enforcement Standard (ES) or Preventative Action Limit. (PAL). Thus, those exceedances are not shown on this figure.
2. Arsenic detections in soil samples below the WDNR established background concentration for arsenic in soils of 8 mg/kg are not shown on this figure.

0 150 300 FEET

1 " = 109 '

1:1,310

PROJECT:

BRRTS NO. 02-41-561201

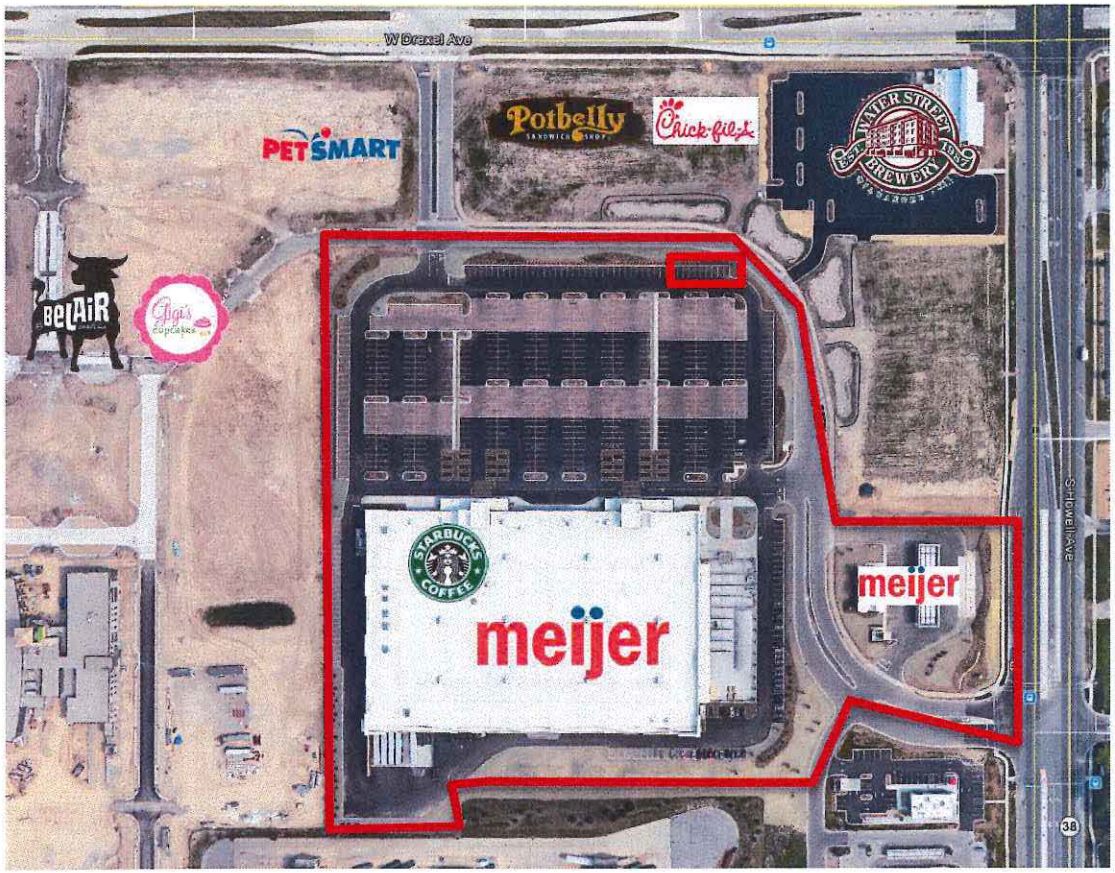
SHEET TITLE:

LOCATION MAP

DRAWN BY: MMM	SCALE:	PROJ. NO.	21-31361B
CHECKED BY:	AS NOTED	FILE NO.	21-31361B
APPROVED BY:	DATE PRINTED:	**FIGURE D.2**	
DATE NOVEMBER 2015	NOVEMBER 2015		

RAMBOLL ENVIRON
175 N. Corporate Drive., Suite 160
Brookfield, WI 53045
Phone: 262-901-0099
Fax: 262-901-0079

Adjacent Amenities

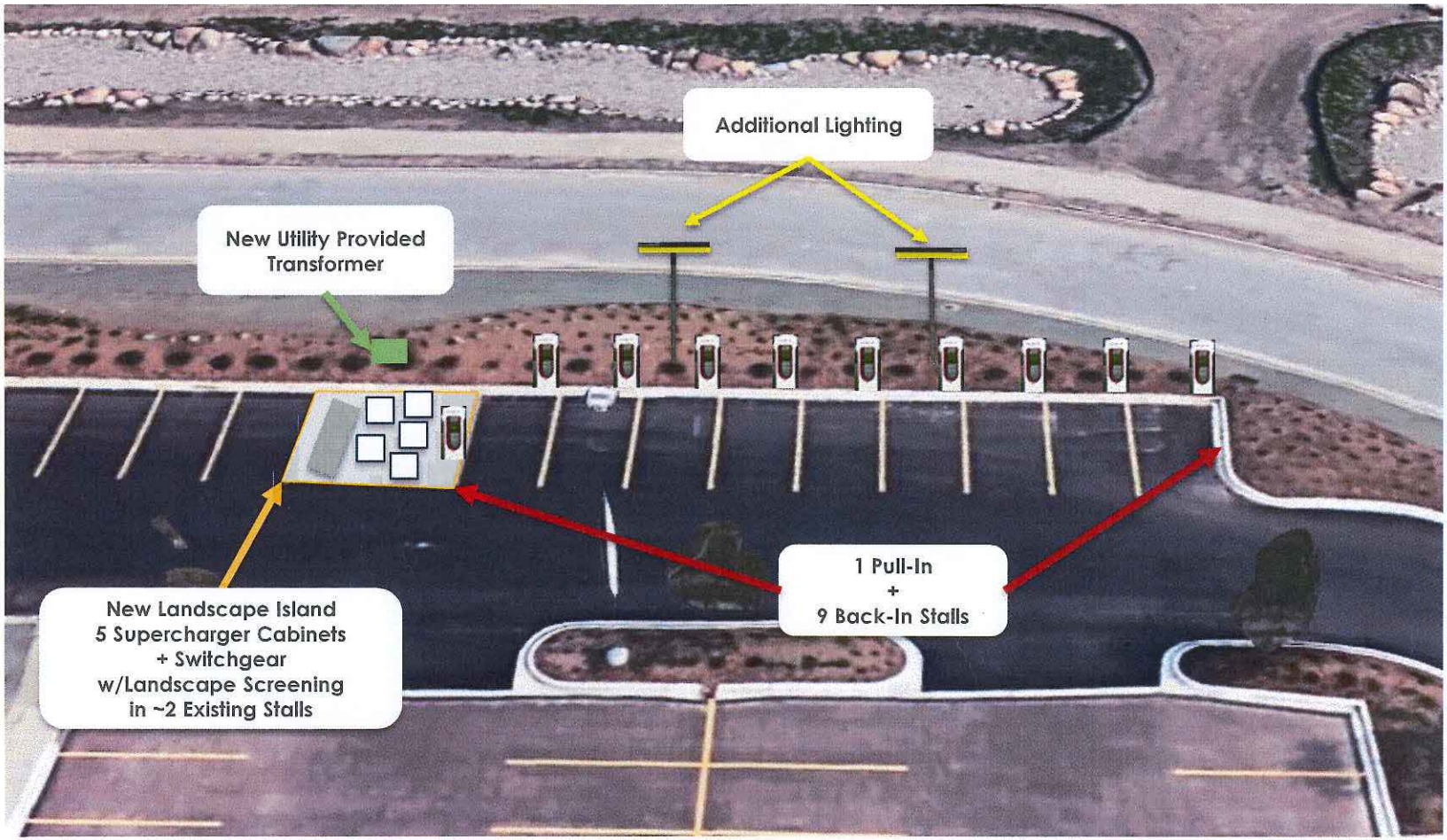


Inside Meijer #283 – Starbucks Coffee

Looking across the drive aisle towards Chick-Fil-A and Water Street Brewery

Copyright 2017 Tesla, Inc.

Proposed Site Layout – Meijer #283, Oak Creek, WI



Copyright 2017 Tesla, Inc.

PARKING LOT LICENSE FOR A SPECIFIC LICENSED PREMISES
EXHIBIT A

This Exhibit A (this "**Exhibit**") to the Master Parking Lot License is made on the 21st day of September, 2017 (the "**Effective Date**"), between Meijer, Inc. ("**M-I**"), a Michigan corporation, Meijer Stores Limited Partnership ("**MSLP**"), a Michigan limited partnership, Meijer Great Lakes Limited Partnership ("**MGLLP**"), a Michigan limited partnership, and Meijer Distribution, Inc. ("**M-D**"), a Michigan corporation, each located at 2929 Walker Ave. NW, Grand Rapids, Michigan 49544 (collectively, "**Meijer**"), and Tesla Motors Inc., a Delaware corporation, located at 3500 Deer Creek Road, Palo Alto, CA 94304 hereinafter referred to as "**Licensee**."

PREMISES: Meijer hereby licenses to Licensee up to ten (10) dedicated parking spaces intended to be used only by Tesla vehicles, up to five (5) feet of additional parking width to comply with the Americans with Disabilities Act of 1990 and approximately 200-400 square feet of additional space for equipment (the "**Premises**") on the property commonly known as Meijer – 171 W Town Square Way, Oak Creek, WI, 53154 (the "**Property**") as depicted on the attached hereto. Upon delivery of possession of the Premises to Licensee, Licensee shall, at its sole expense, construct any additional improvements as described in and pursuant to the procedures set forth in this **Exhibit A,** and made a part hereof, and will install certain trade fixtures indicated in this **Exhibit A** (the "**Trade Fixtures**").

POSSESSION DATE: The first date where Licensee may enter the Premises and Property to begin its work pursuant to the License is 15th day of September, 2017(the "**Possession Date**").

COMMENCEMENT DATE: The Term shall commence on the date that the Tesla charging station is open to the public, which shall not be later than 120 days following the Possession Date (the "**Commencement Date**").

CONSTRUCTION SCHEDULE: The construction of the Charging Stations are expected to occur between the following dates: 15th day of September and 14th day of November, 2017.

LICENSE TERM: The initial term of the License for this Premises is five (5) years commencing on the Commencement Date (the "**Term**"). Licensee shall have the right to twice extend the Term, each extension shall be for an additional period of five (5) years (each a "**Renewal Term**").

TERMS and CONDITIONS: This license is made pursuant to the terms and conditions in the Master Parking Lot License made on the 19th day of December, 2013, as amended by First Amendment to Master Parking Lot License, dated December, 9, 2016, by and between Meijer and Tesla. The renewal of this license will automatically update the effective date of the most current Master Parking Lot License so that the Master Parking Lot License terminates no earlier than the termination of this license.

CONTACT INFORMATION:

Meijer's Contact:

Meijer
Attention: Environmental Department
2929 Walker Ave, NW
Grand Rapids, MI 49544
Phone: (616)453-6711

Licensee's Contact:

Tesla Motors, Inc.
3500 Deer Creek Road
Palo Alto, CA 94304
Attention: Supercharger team
Phone: (650) 681-5000
Email: superchargerlease@teslamotors.com

Licensee Improvements and Trade Fixtures

Licensee shall install its vehicle charging station on the Premises pursuant to the terms of this **Exhibit A**. Licensee installation shall include the installation of the infrastructure for the charging station, which may include power supply, utility connections, concrete pads, conduit and wiring (the "**Infrastructure**").

The charging station will also include certain trade fixtures as determined by Licensee, which may include, without limitation, the vehicle chargers, charge posts, switchgear, signage, canopy, solar panels, and an energy storage system (the "**Trade Fixtures**").

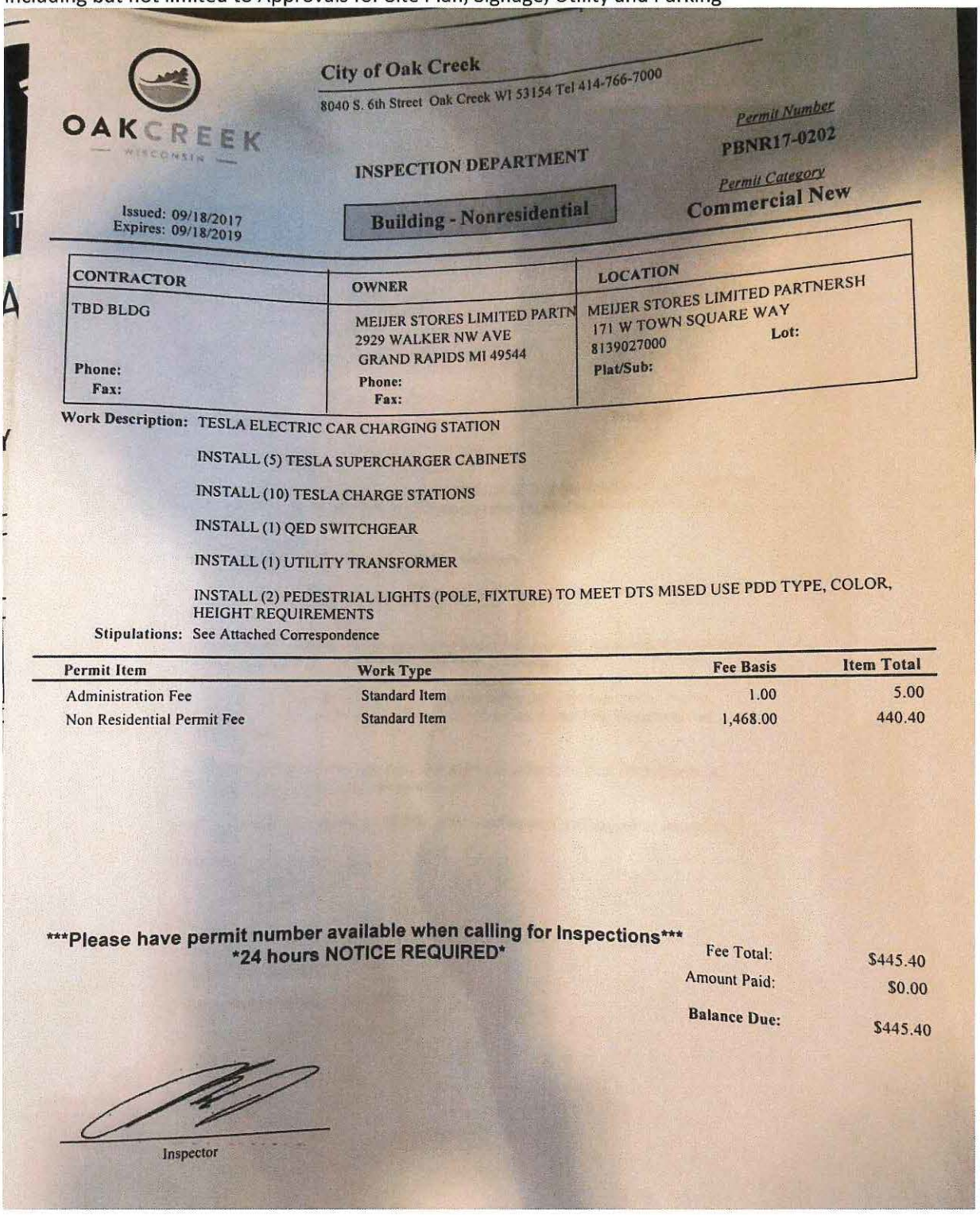
The Trade Fixtures to be installed at the Commencement Date will include the following:

- Up to five (5) Tesla "Superchargers"
- Up to ten (10) charging posts
- Switchgear and meter panel
- Signage (representative signage is shown below)

The installation of the Infrastructure and the Trade Fixtures is collectively referred to as the "**Licensee Improvements**." Licensee will not perform the Licensee Improvements until the plans and specifications, including exact locations, have been approved by Meijer, which shall not be unreasonably withheld, conditioned or delayed. All Licensee Improvements shall at all times comply with applicable laws, codes, and ordinances and shall be installed, maintained and replaced at Licensee's sole cost.

Permits/Variances

List and attach a copy of each permit, variance, regulatory approvals and/or applicability document including but not limited to Approvals for Site Plan, Signage, Utility and Parking



OAK CREEK
WISCONSIN

City of Oak Creek
8040 S. 6th Street Oak Creek WI 53154 Tel 414-766-7000

INSPECTION DEPARTMENT

Permit Number
PBNR17-0202

Permit Category
Commercial New

Issued: 09/18/2017
Expires: 09/18/2019

Building - Nonresidential

CONTRACTOR	OWNER	LOCATION
TBD BLDG Phone: Fax:	MEIJER STORES LIMITED PARTN 2929 WALKER NW AVE GRAND RAPIDS MI 49544 Phone: Fax:	MEIJER STORES LIMITED PARTNERSH 171 W TOWN SQUARE WAY 8139027000 Lot: Plat/Sub:

Work Description: TESLA ELECTRIC CAR CHARGING STATION

INSTALL (5) TESLA SUPERCHARGER CABINETS

INSTALL (10) TESLA CHARGE STATIONS

INSTALL (1) QED SWITCHGEAR

INSTALL (1) UTILITY TRANSFORMER

INSTALL (2) PEDESTRIAL LIGHTS (POLE, FIXTURE) TO MEET DTS MISED USE PDD TYPE, COLOR, HEIGHT REQUIREMENTS

Stipulations: See Attached Correspondence

Permit Item	Work Type	Fee Basis	Item Total
Administration Fee	Standard Item	1.00	5.00
Non Residential Permit Fee	Standard Item	1,468.00	440.40

Please have permit number available when calling for Inspections
24 hours NOTICE REQUIRED

Fee Total:	$445.40
Amount Paid:	$0.00
Balance Due:	$445.40

Inspector

OAK CREEK
WISCONSIN

City of Oak Creek

8040 S. 6th Street Oak Creek WI 53154 Tel 414-766-7000

INSPECTION DEPARTMENT

Permit Category
Miscellaneous Electrical

Permit Number
PEL17-0499

Issued: 09/21/2017
Expires: 09/21/2019

Electrical

LOCATION	OWNER	APPLICANT
MEIJER STORES LIMITED PARTNERS 171 W TOWN SQUARE WAY 8139027000 Lot: Plat/Sub:	MEIJER STORES LIMITED PARTNE 2929 WALKER NW AVE GRAND RAPIDS MI 49544 Phone: Fax:	NATHAN GONNERING Phone: Fax:

Work Description:

Stipulations:

Permit Item	Work Type	Fee Basis	Item Total
Administration Fee	Standard Item	1.00	5.00
Service	Standard Item	1,200.00	70.00
Feeders,Subfeeders & Additional Panels	Standard Item	12.50	500.00
HID Fixtures, Mercury, Vapor & Sodium	Standard Item	2.00	10.00
Power Receptacles over 150 Volts	Standard Item	10.00	80.00

****** Please have permit number when calling for Inspections*****
24 hours NOTICE REQUIRED

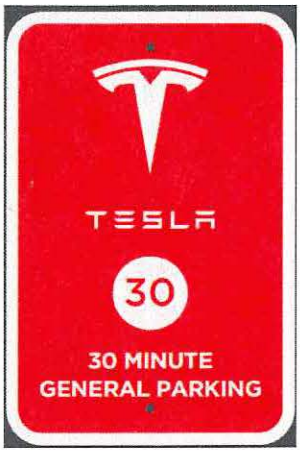
Fee Total:	$665.00
Amount Paid:	$665.00
Balance Due:	$0.00

Inspector

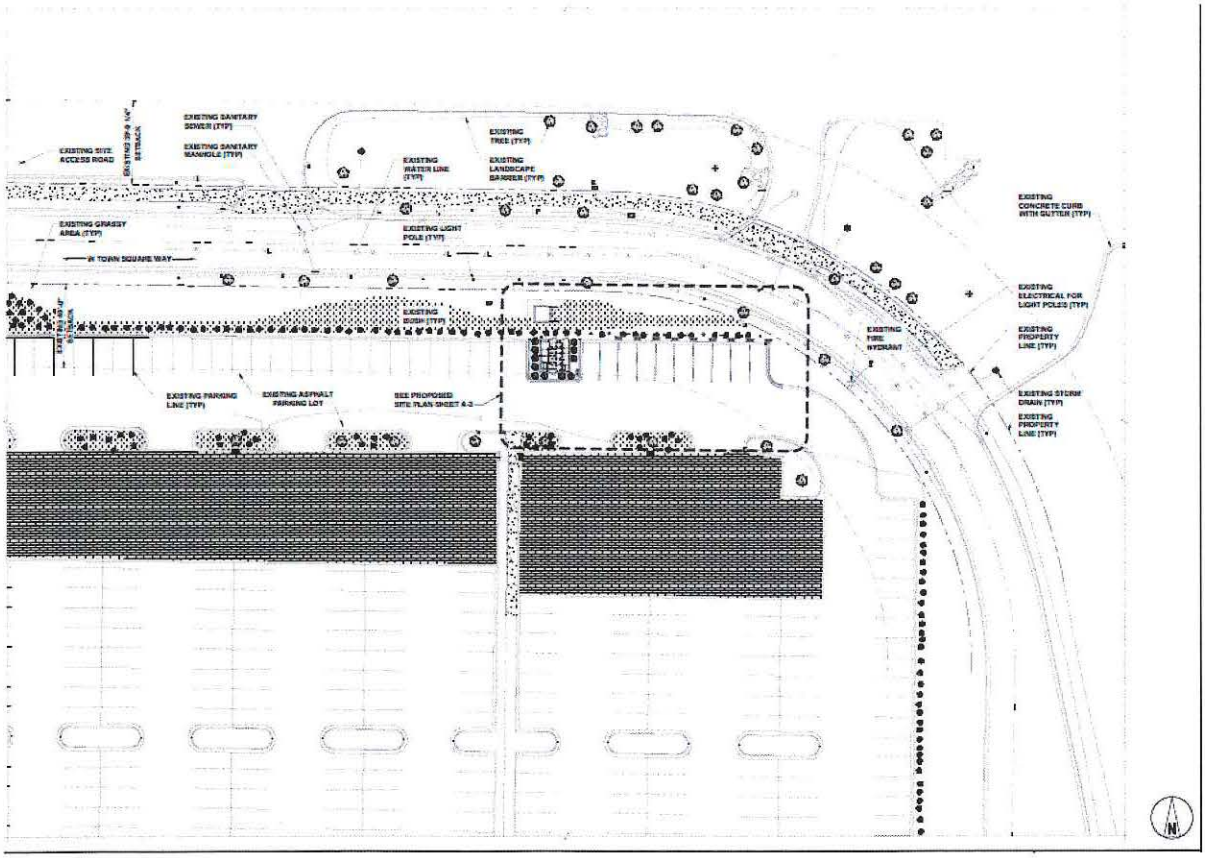
Representative Signage

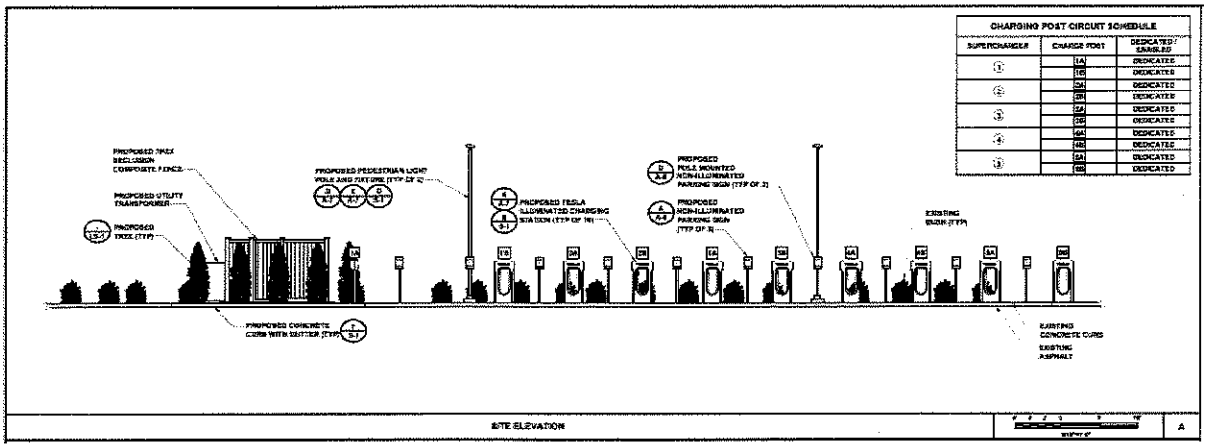
Dedicated Stall Sign Example

Enabled Stall Sign Example



Premises and Property Depiction





IN WITNESS WHEREOF, the parties hereto hereby execute this Exhibit A pursuant to the Master Parking Lot License as of the Effective Date first written above in this Exhibit A.

MEIJER:

Meijer, Inc.

Meijer Stores Limited Partnership,
By: Meijer Group, Inc., its general partner

Meijer Great Lakes Limited Partnership,
By: Meijer Group, Inc., its general partner
And
Meijer Distribution, Inc.

By: Michael L. Kinstle

Printed: Michael L. Kinstle

Title: Vice President - Real Estate

APPROVED Legal

LICENSEE:

Tesla Motors, Inc.
a Delaware corporation

By: _____

Printed: Cal Lankton

Title: VP, Energy Sales and Operations