

FILED

NO. 87-07

CONSENT TO ASSIGNMENT OF
LEASE AND MODIFICATION
OF LEASE AGREEMENT

'87 MAR -6 A9:01

BARBARA REED
CLERK

DEPUTY

THIS AGREEMENT entered into this 5th day of March, 1987 between DOUGLAS COUNTY, a political subdivision of the State of Nevada, hereinafter "County" and NATIONAL OIL AND BURNER, CO., a corporation organized under the laws of the State of Nevada, hereinafter "National".

WHEREAS, LAWRENCE JACOBSEN, hereinafter Jacobsen, leases certain real property located at the Douglas County Airport pursuant to the terms of that certain lease agreement dated the 10th day of November, 1982; and

WHEREAS, Jacobsen has entered into an agreement with National to assign his interests in said lease to National as part of an agreement to sell the fuel oil distribution business currently operated on the leased premises to National; and

WHEREAS, County must consent to the assignment of said lease pursuant to paragraph 12 of said lease agreement; and

WHEREAS, National and County desire to modify the terms of the said lease agreement.

WITNESSETH

1. County hereby consents to the assignment of that certain lease agreement dated November 10, 1982, from Jacobsen to National. A copy of said agreement is attached hereto as Exhibit B and incorporated herein by reference.

2. As consideration for County's consent to the assignment, National agrees that the terms of the lease agreement be and same hereby are modified as follows:

A. The description of the leased premises is hereby modified as set forth in Exhibit A which is attached hereto and incorporated herein by reference

B. National shall pay to County the sum of \$236.50 per month as rental for the leased property. The rental amount shall be adjusted in July of each year during the term of the

lease, beginning July of 1987, to reflect any increase in the Consumer price index from the previous year.

C. National shall carry comprehensive general liability insurance covering all of Nationals operations in an amount not less than \$3,000,000 per occurrence for personal injury, bodily injury and property damage. The policy of insurance shall name County, its officers, employees and agents as additional insureds.

D. The driveway or ramp from Barling Road to the leased premises shall be paved to County paved road standards by National, at its sole cost and expense, at such time as Barling Road is paved.

E. National to upgrade the bulk storage facility located on the leased premises to the requirements of the East Fork Fire Protection District pursuant to the time table established by said East Fork Fire Protection District. A copy of said time table is attached hereto as Exhibit C and incorporated herein by reference

3. All other terms and conditions of the lease agreement, Exhibit B, shall remain in full force and effect unless the same be in conflict with paragraph 2 of this agreement.

EXECUTED this 5th day of March, 1987.

LESSEE:

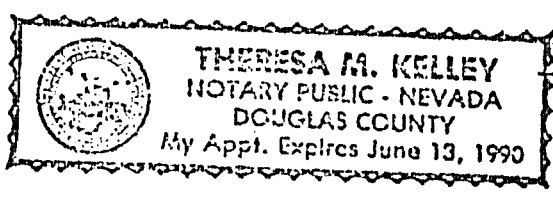
NATIONAL OIL AND BURNER, CO.

By 
GEORGE BASTA
President

By 
RONALD M. BASTA
Executive Vice President

State of Nevada)
) ss
County of Douglas)

On this 5th day of March, in the year 1987, personally appeared GEORGE BASTA, and RONALD M. BASTA, personally known to me to be the persons who executed the above instrument, and acknowledged to me that they executed the same for purposes therein stated.



Theresa M. Kelley
NOTARY

LESSOR:

DOUGLAS COUNTY
BOARD OF COUNTY COMMISSIONERS

By Jerry J. Bins
JERRY J. BINS, Chairman

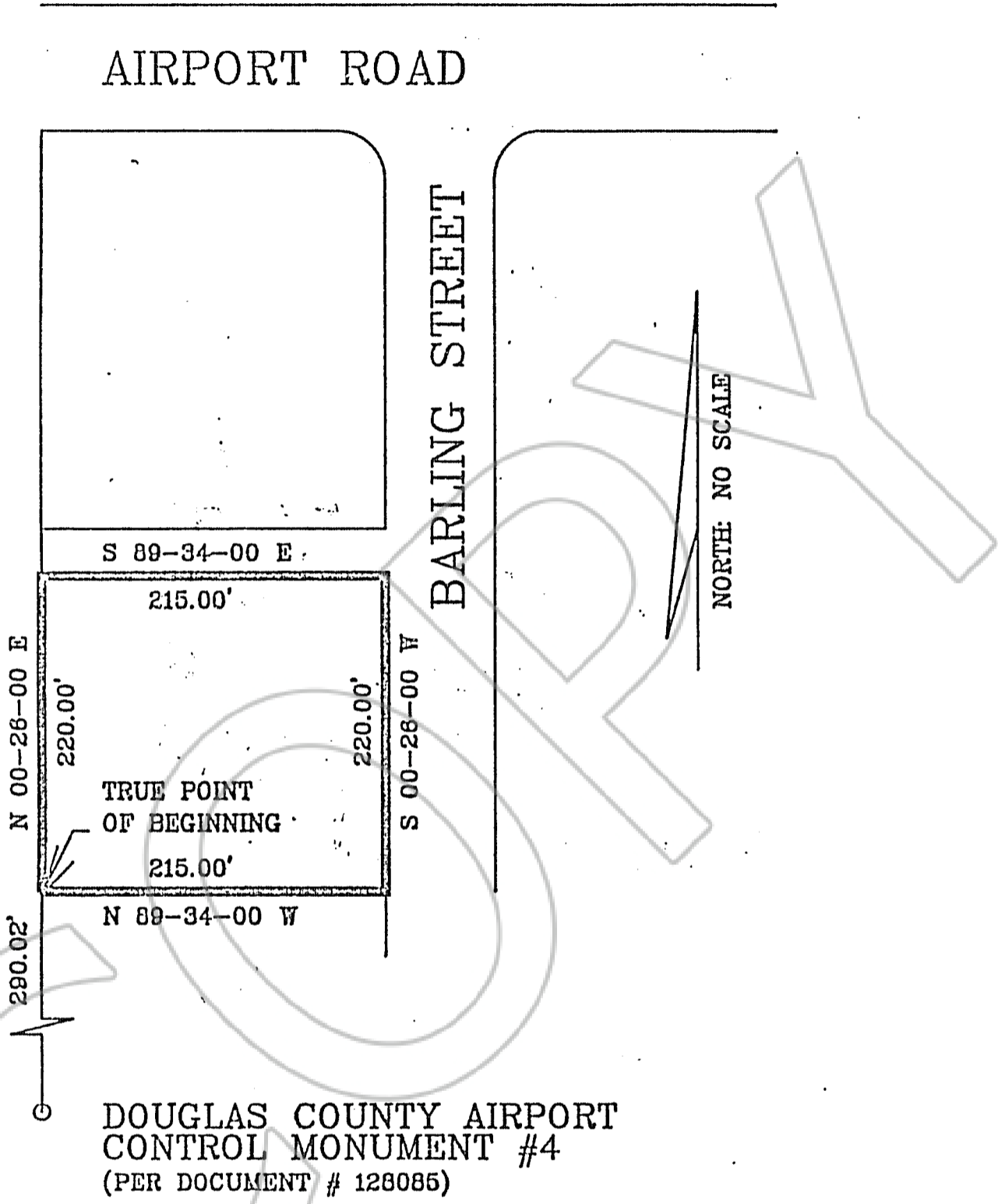
ATTEST:

By Barbara Reed
BARBARA REED, Clerk
Douglas County

Approved as to form only.

Brent Kolvet
BRENT T. KOLVET
District Attorney
Douglas County

DOUGLAS COUNTY AIRPORT
 NATIONAL OIL BURNER CO., INC.
 JANUARY 1987



DOUGLAS COUNTY AIRPORT
 CONTROL MONUMENT #4
 (PER DOCUMENT # 128085)

This parcel being in a portion of the SW 1/4 of Section 8, T13N, R20E, MDB&M, and more particularly described as follows:

Commencing at Airport Control Monument #4 as shown on Record of Survey #14 for Douglas County, as recorded December 12, 1985, in Book 1285 at Page 933 as Document Number 128085; thence North 00°26'00" East, a distance of 290.02 feet to the TRUE POINT OF BEGINNING; thence continuing North 00°26'00" East, a distance of 220.00 feet; thence South 89°34'00" East, a distance of 215.00 feet; thence South 00°26'00" West, a distance of 220.00 feet; thence North 89°34'00" West, a distance of 215.00 feet to the TRUE POINT OF BEGINNING.

Said parcel containing 47,300.00 square feet (1,086 Acres) more or less.

LEASE AGREEMENT

THIS AGREEMENT, made and entered into this 10th day of November, 1982, by and between the COUNTY OF DOUGLAS, by and through the Douglas County Board of Commissioners, First Party, hereinafter known as Lessor, and LAWRENCE JACOBSEN, Second Party, hereinafter referred to as Lessee,

W I T N E S S E T H:

WHEREAS, Lessor is desirous of entering into a Lease Agreement with Lessee of certain county owned real property; and

WHEREAS, N.R.S. 495.040 of the Nevada Revised Statutes authorizes the Board of County Commissioners of any county to lease county real property for use and occupancy as airport facilities and airport services; and

WHEREAS, Lessor is the owner of the Douglas County Airport located in Douglas County, Nevada, hereinafter referred to as the Airport; and

WHEREAS, Lessor deems it advantageous to itself and to its operations of the Airport to lease to the Lessee certain parcels of real property, described herein, together with certain privileges, rights, uses and interests therein, subject to certain restrictions and responsibilities; and

WHEREAS, Lessee is engaged in the business of fuel distribution, and proposes to lease the ground areas described herein for the purpose of erecting thereon bulk fuel distribution facilities, and Lessor deems such improvements to be advantageous to itself and to the efficient operation of the airport; and

WHEREAS, the Lessee has indicated a willingness and ability to properly keep, maintain and improve said grounds and improvements in accordance with standards established by Lessor, if granted a lease of sufficient term; and

WHEREAS, Lessee desires to obtain and avail himself of the privileges, rights, uses, requirements, and interests, as herein stated.

WHEREAS, Lessor has caused public notice of its intention to hold a hearing on the special use permit heretofore granted Lessee pursuant to Douglas County Code 17.44.070 and Douglas County Code 17.60.60, and thereafter granted a special use permit to Lessee on October 21, 1982.

Further notice was published pursuant to NRS 244.320 setting forth in detail the terms of this lease and setting the date and time for the public hearing held on November 10, 1982 after which the Lessor approved of the terms and conditions of this lease.

NOW, THEREFORE, IT IS AGREED, between the parties hereto as follows:

1. PREMISES AND TERM

Lessor does hereby lease to Lessee, on the terms and conditions herein set forth, the real property as described in Exhibit A, situated in Douglas County, State of Nevada.

The term of this Lease is twenty (20) years, commencing as of the execution of this Agreement and ending on midnight November 10, 2002.

2. TERMS AND CONDITIONS

Lessee agrees, at Lessee's expense, to install and maintain during the period of this Lease the bulk fuel facility.

The plans for the construction of the bulk fuel distribution facility must be approved by the Douglas County Community Development Department. The construction must be completed within one year from the date this instrument is executed.

County grants to Lessee the nonexclusive right to operate a bulk fuel distribution facility at the Airport. Ownership of all permanent structures shall revert to Lessor upon the termination of this Lease or upon any extension or renewal thereof.

Lessor assigns the responsibility for security of the bulk fuel distribution facility and shall take the necessary steps to insure safety of life and protection and preservation of property.

X 3. RENTAL

Lessee shall pay to the Lessor a rental fee of one hundred and fifty dollars (\$150.00) per month.

The rental fee shall be adjusted annually, in July, to reflect the percentage change in the consumer price index from the previous year.

4. RESTRICTION ON USE

Lessee may use the demised premises only as a bulk fuel distribution operation and may not conduct any additional or other commercial enterprise thereon.

5. UTILITY EXPENSES, SERVICES, ASSESSMENTS AND TAXES

Lessee shall pay when due all of the utilities, light, sewer, gas, water, heat, power, air conditioning and other charges, taxes and bills contracted in connection with said premises herein demised, and shall pay when due all taxes and assessments levied against all personal property situated in or upon the demised premises during the term of this Lease, and all taxes and assessments, to the extent applicable, levied upon the real property, the subject of this Lease or in any way relating to this Lease, and shall hold Lessor free and clear of liability whatsoever in connection herewith.

6. ALTERATIONS AND REPAIRS

Lessee shall have the right to make any alteration, repair or construction may desire upon the said premises or any improvements situated thereon, providing the same do not in any way decrease the value of the premises or appurtenances. A building permit shall be obtained as required by County Ordinances.

7. MAINTENANCE OF DEMISED PREMISES

The Lessee shall provide reasonable maintenance and repair of the demised premises, said maintenance to include weed abatement control. The entry way and parking area for the site shall be paved by the Lessee within six months of Barling Street being paved.

8. LIENS

Lessee may obtain financing as Lessee's sole responsibility to construct the improvements contemplated herein. Lessee may execute a security agreement encumbering the improvements contemplated herein, provided however, that the term of the security agreement may not exceed the term of this Lease.

9. INSURANCE

The Lessee for and in consideration of the Lessor's agreement to lease certain county real and/or personal property to Lessee pursuant to this Agreement, agrees that at all times during the term of this Agreement, Lessee shall indemnify and defend, saving harmless Douglas County, its officers, boards, commissions, agents or employees, from any and all claims by any person whatsoever

on account of property damage, injury or death of a person or persons acting on behalf of or upon the request of the Lessor during the term of this Agreement.

As provided herein, the Lessor, its officers, board, commissions, agents or employees shall be held harmless in all respect for any cost, expense or liability of any nature which may be incurred by the Lessee during the term of this Agreement.

The Lessee shall add Lessor as an additional insured party on any policy or policies of insurance held by Lessee against which potential liability might be covered for any act or acts of Lessor performed in furtherance of this Agreement. Lessee shall provide to Lessor a certificate of all liability insurance maintained by Lessee which shows such coverage, and the certificate shall include a thirty (30) day notice of cancellation to the Lessor.

10. PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE

Lessee shall carry for the protection of Lessor and Lessee, comprehensive general liability insurance, covering all operations in the amount of not less than One Million Dollars (\$1,000,000.00) per occurrence for personal injury, bodily injury and property damage.

11. NOTICES

All notices to be given hereunder shall be in writing and shall be deemed given when deposited in the United States Mail, postage prepaid, certified or registered, addressed as follows:

LESSEE: Lawrence Jacobsen
P.O. Box 367
Minden, Nevada 89423

LESSOR: Douglas County
P.O. Box 218
Minden, Nevada 89423

12. ASSIGNMENT

Lessee shall not assign this Lease nor any portion thereof without the prior written approval of Lessor. The Lessor shall give a decision to Lessee no later than forty-five (45) days after written request to assign is received by the Lessor from the Lessee.

13. OPTION TO RENEW

Lessee is hereby granted and shall, if not at the time in default under this Lease, have an option to renew this Lease for an additional period of ten (10) years, on the terms, covenants and conditions as negotiated pursuant to the procedures contained in paragraph 21 of this Agreement. This option shall be exercised only by Lessee delivering to Lessor in person or by United States Mail written notice of his election to renew this lease.

14. INTERFERENCE WITH AIRPORT OPERATION

Any improvements, developments or operation by and of Lessee on the demised premises shall be so constructed and operated so as not to interfere in any way with the operation of the Douglas County Airport. Lessor reserves and shall have the right to take any action to protect the aerial approaches from interference together with the right to prevent Lessee from erecting or permitting to be erected any building or other structures that would constitute a hazard to aircraft.

15. INSPECTION

It is understood and agreed that the Lessor, through its agents or representatives, may come onto and upon the premises for the purpose of examining the premises and making alterations or improvements which the Lessor may deem necessary and advisable for the property maintenance, protection of the premises, or for the operation of the Douglas County Airport, at its own expense, and upon twenty-four (24) hours written notice except under emergency conditions affecting life and property.

16. DEFAULT AND RE-ENTRY

In the event that Lessee fails to make payment of the rental when and as due or ten (10) days after notice of its failure to make payment of the rental, Lessor shall have the right to re-enter and take possession of the premises, and to remove all persons therefrom upon due demand made. In the event of any other breach by Lessee of any term or condition of this Agreement, and if such breach shall not have been cured by Lessee within ten (10) days from the time such

notice is given by Lessor, Lessor shall have the right to re-enter immediately and take possession of the premises and to remove all persons therefrom. In the event Lessee is dispossessed pursuant to the terms of this paragraph due to a breach by Lessee, the obligation of Lessee to pay rental to Lessor shall cease.

In the event that Lessee commits waste upon any of the real and/or personal property described herein above, and the subject of this Agreement, the Lessee shall as soon as reasonably possible and without unnecessary delay, repair, or rebuild the premises as the case may be as to make the same tenantable as theretofore. In the event that Lessor fails to repair the premises, then Lessee shall pay to Lessor the amount of the determined waste by Lessee.

17. COST AND ATTORNEYS FEES

If by reason of any default by either party in the performance of any of the provisions of this Lease it becomes necessary for the other to employ an attorney, the defaulting party shall pay all costs, expenses and reasonable attorney fees expended or incurred by the other in connection with the recoupment of any and all damages.

18. NON-WAIVER

The failure of either party to insist upon strict performance of any of the covenants and conditions of this Lease or to exercise any of the options herein conferred in any one or more instances shall not be construed to be a waiver or relinquishment of any such covenant or condition but the same shall be in and remain in full force and effect.

19. QUIET POSSESSION

Lessor covenants that it is seized of the demised premises and has full right to make this Lease and further that during the term hereof, Lessee shall have quiet possession thereof.

20. SURRENDER OR POSSESSION

Subject to the provisions herein pertaining to damage and destruction, upon expiration of the term of this Lease or any renewal periods negotiated by Lessor and Lessee, Lessee shall promptly and peacefully surrender the premises to Lessor in good condition and repair, except for ordinary wear and tear, and such repair

as Lessee is excused from making by Lessor. On or before the expiration, Lessee may remove its equipment from the premises. Any damage caused by such removal shall be repaired by Lessee at his expense.

21. RENEGOTIATION

As additional consideration from Lessee's entrance into this Agreement, Lessor has and by this Agreement grants to Lessee the first right to negotiate renewal of this contract. A term of any renegotiated Agreement shall be for a maximum of ten (10) years. If Lessee desires to renegotiate for an additional term, Lessee shall give Lessor written notice of its intention to do so, no later than ninety (90) days prior to the expiration of the term of this Agreement. The term and conditions of the renegotiation, if requested by Lessor, shall be identical to those set forth herein, except Lessor may at his option renegotiate the amounts paid pursuant to this Agreement.

22. MODIFICATION

No modification, release, discharge or waiver of any provision hereof shall be of any force, effect or value unless it is in writing and signed by authorized representatives of each party.

23. TIME OF ESSENCE

Time shall be of the essence insofar as the rights, duties, and obligations of the parties hereto.

24. AIRPORT OPERATIONS

Lessee agrees to cooperate with Lessor and Lessor agrees to cooperate with Lessee in all matters of airport operations and safety requirements.

25. WAIVER OF SUBROGATION

The parties to this Agreement hereby agree that as permitted by their respective insurance contracts, covering property located at Douglas County Airport, more particularly described as County Hanger Building and Lean-To, ramp area, parking area and tie down area and such areas as are necessary to carry out the provisions of this Agreement, do hereby, each to the other, grant full unconditional release of the entire right of recovery for themselves, or for any other party who takes such right of recovery by way of subrogation, which may

arise by reason of fire, windstorm, explosion (other than boiler or pressure vessel) or flood which damages or destroys the above-described property, the subject of which is this Agreement.

IN WITNESS THEREOF, Lessor by resolution of its duly elected and acting Board of County Commissioners has caused this Lease to be executed and signed by its Chairman and Lessee has executed and signed the same in his individual capacity.

LESSOR:

DOUGLAS COUNTY

BOARD OF COUNTY COMMISSIONERS

BY: *Kenneth Kjer*
KENNETH KJER, Chairman

LESSEE:

Lawrence Jacobsen
LAWRENCE JACOBSEN

State of Nevada)
County of Douglas) ss

ATTEST:

Yvonne Bernard
YVONNE BERNARD, Clerk
Douglas County

On this 22 day of November in the year 1982, personally appeared Lawrence Jacobsen, personally known to me to be the person who executed the above instrument, and acknowledged to me that he executed the same for purposes therein stated.

Approved as to form only.

Shirley Embury Rowe
SHIRLEY EMBURY ROWE
DISTRICT ATTORNEY,
Douglas County

Nancy Minahen
NANCY MINAHEN
Notary



EXHIBIT "A"

Commencing at the Northwest corner of the Record of Survey, Number Six, for Douglas County, Nevada, as recorded October 14, 1982, in Book 1082 at Page 628 as Document Number 71686, thence South $00^{\circ} 16'44''$ East, a distance of 263.00 feet to the TRUE POINT OF BEGINNING; thence North $89^{\circ} 43'16''$ East, a distance of 215.00 feet; thence South $00^{\circ} 16'44''$ East a distance of 220.00 feet; thence South $89^{\circ} 43'16''$ West a distance of 215.00 feet; thence North $00^{\circ} 16'44''$ West a distance of 220.00 feet to the True Point of Beginning.

Excepting therefrom the Eastern most 15 feet for private waterline purposes.

COPY

EAST.FORK FIRE PROTECTION DISTRICT
FIRE INSPECTION REPORT AND AGREEMENT

FEBRUARY 25, 1987

THE VIOLATION OF THE UNIFORM FIRE CODE AND OTHER HAZARDOUS CONDITIONS AS INDICATED WERE OBSERVED DURING AN INSPECTION BY INDEPENDENT INSPECTORS OF THE JACOBSON OIL COMPANY, INC. (NOW NATIONAL OIL AND BURNER, CO.) LOCATED AT 2230 BARLING ROAD, MINDEN, NEVADA ON JANUARY 15, 1986. YOUR COOPERATION IN CORRECTING THE CONDITIONS INDICATED WILL BE APPRECIATED AND WILL RESULT IN A REASONABLE DEGREE OF FIRE CODE COMPLIANCE AT YOUR FACILITY.

AN IMPOUNDING BASIN WITH A CAPACITY OF NOT LESS THAN THE SUM OF THE CAPACITY OF ALL TANKS WITHIN THE DIKED AREA SHALL BE CONSTRUCTED DIRECTLY ADJACENT TO THE WEST SIDE OF THE EXISTING DIKED AREA. A DRAIN OF NOT LESS THAN 4 INCHES SHALL BE PROVIDED BETWEEN THE DIKED AREA CONTAINING THE PRODUCT TANKS AND THE IMPOUNDING BASIN. THIS DRAIN SHALL BE EQUIPPED WITH AN EASILY ACCESSIBLE VALVE. IT SHOULD BE CAPABLE OF BEING OPERATED FROM THE TOP OF THE DIKE. PROVISION SHALL BE MADE FOR REMOVING EXCESS WATER FROM THE DIKED TANK AREA AND THE IMPOUNDING BASIN. (UFC 79.508)

** DUE COMPLETE BY JULY 1, 1987 **

ELIMINATE ALL STORAGE ON ANY PART OF OR DIRECTLY ADJACENT TO THE DIKE STRUCTURES.

** DUE COMPLETE BY APRIL 15, 1987 **

RELOCATE EMPTY STORED COMBUSTIBLE MATERIALS, STORAGE CONTAINERS, INCLUDING BARRELS, DRUMS, TANKS, ETC. TO A LOCATION OF MORE THAN 50 FEET FROM THE BASE OF ANY DIKED AREA.

** DUE COMPLETE BY APRIL 15, 1987 **

REPAIR ALL BROKEN AND DAMAGED BONDING WIRES AND CLAMPS ON ALL LOADING AND UNLOADING FACILITIES. (UFC 79-807)

** DUE COMPLETE BY APRIL 15, 1987 **

PROVIDE DIKING AND DRAINAGE TO SURROUND LOADING RACK. DRAINAGE SHALL DISCHARGE INTO IMPOUNDING BASIN. (UFC 79-806)

** DUE COMPLETE BY JULY 1, 1987 **

PROVIDE WRITTEN CERTIFICATION THAT ALL ELECTRICAL INSTALLATIONS AND DEVICES WITHIN THE DISPENSING AREAS ARE IN COMPLIANCE WITH THE NATIONAL ELECTRICAL CODE. (UFC 79-806)

** DUE COMPLETE BY APRIL 15, 1987 **

Exhibit "C"

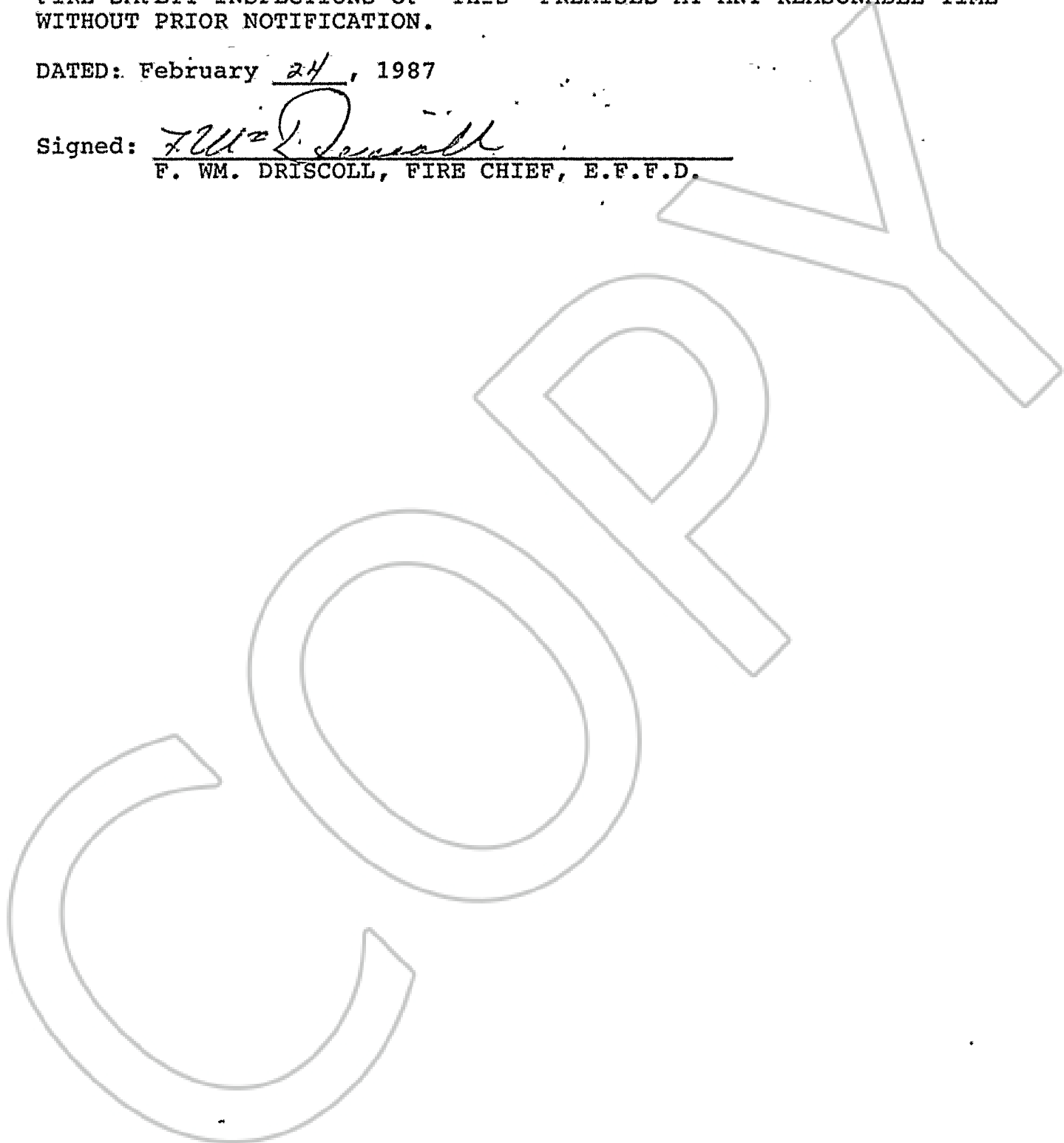
7. STAIRS, PLATFORMS AND WALKWAYS WITHIN THE DISPENSING AREAS SHALL BE OF NON-COMBUSTIBLE CONSTRUCTION AND SHALL BE DESIGNED AND CONSTRUCTED IN ACCORDANCE WITH THE UNIFORM BUILDING CODE. (UFC 79-507)
** DUE COMPLETE BY JULY 1, 1987 **

THE ABOVE REQUIREMENTS OF COMPLIANCE ARE DUE BY THE DATES INDICATED DIRECTLY UNDER THE INDIVIDUAL ITEMS. ON THE INDICATED DATES, OR SHORTLY THEREAFTER, THE EAST FORK FIRE DISTRICT PERSONNEL WILL REINSPECT FOR COMPLIANCE.

PERSONNEL OF THE EAST FORK FIRE DISTRICT MAY CONDUCT PERIODIC FIRE SAFETY INSPECTIONS OF THIS PREMISES AT ANY REASONABLE TIME WITHOUT PRIOR NOTIFICATION.

DATED: February 24, 1987

Signed: F. Wm. Driscoll
F. WM. DRISCOLL, FIRE CHIEF, E.F.F.D.



CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

DATE: March 10 1987
B. Reed Clerk of the 9th Judicial District Court of the State of Nevada, in and for the County of Douglas. '87

By Julius Hoffman Deputy

SEAL

REQUESTED BY
DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

MAR -6 11:09

SUZANNE BEAUDREAU
RECORDER

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