

ASSIGNMENT OF LEASE AGREEMENT

and

CONSENT TO ASSIGNMENT

between

THE BOARD OF HARBOR COMMISSIONERS,
CITY OF MILWAUKEE

and

SUPPORT TERMINALS OPERATING
PARTNERSHIP, L.P.

and

TANCO-MILWAUKEE, LLC

For property located at 1626 S. Harbor Drive

Initial Term: August 17, 1990 – August 16, 1995
with four (4) five-year extensions through
August 16, 2015

**ASSIGNMENT OF LEASE AGREEMENT AND
CONSENT TO ASSIGNMENT**

THIS ASSIGNMENT OF LEASE AGREEMENT AND CONSENT TO ASSIGNMENT (This "Assignment") is made and entered into, and is effective as of this _____ day of _____, 20____, with the CITY OF MILWAUKEE, a Wisconsin municipal corporation, by and through its Board of Harbor Commissioners ("Landlord"), SUPPORT TERMINALS OPERATING PARTNERSHIP, L.P., a Delaware corporation ("Assignor"), and TANCO-MILWAUKEE, LLC, an Indiana Limited Liability Company ("Assignee").

RECITALS

A. Assignor currently leases that certain real property and improvements on the South Harbor Tract of the City of Milwaukee (the "Property") pursuant to the terms and conditions contained in that certain Lease Agreement dated as of October 30, 1990, between Landlord, as Landlord, and Assignor, as Tenant (as amended, supplemented or modified from time to time, the "Lease"). A copy of the Lease is attached hereto and made a part hereof as Exhibit A.

B. Assignor presently operates a bulk liquids storage terminal (the "Terminal") on the Property.

C. Assignor and Assignee are parties to that certain Asset Purchase Agreement dated _____, _____, 2008 (the "Purchase Agreement") pursuant to which, subject to the terms and conditions set forth herein, Assignee will purchase substantially all of Assignor's assets located at the Terminal, including all of Assignor's right, title and interest in, under and to the Lease, and assume certain of Assignor's liabilities in connection with Assignor's operation of the Terminal;

D. Contemporaneous with the closing of the transactions contemplated by the Purchase Agreement, the Landlord, Assignor, and Assignee mutually desire (i) that Assignor assign all of its right, title, and interest in, under and to the Lease to Assignee, and (ii) that Landlord consent to the assignment contemplated hereby, all on the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals set forth above, which by reference are made a part of this Assignment, the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord, Assignor and Assignee hereto do hereby agree as follows:

1. **Assignment**. Assignor hereby transfers, assigns and sets over to Assignee all of Assignor's right, title and interest in and to the Lease and in and to the Property, except as otherwise expressly provided in Paragraphs 3 and 4 hereafter, effective as of _____, 20__ (the "Effective Date"). Assignor hereby represents and warrants to Assignee and to Landlord that Assignor is the owner of all right, title and interest of Tenant under the Lease, and has all right, power and authority to assign its right, title and interest in the Lease to Assignee pursuant to this Assignment.

2. **Acceptance of Assignment**. Assignee hereby accepts the Assignment and transfer of the Lease as contemplated by this Assignment, and assumes all of the obligations of Assignor under the Lease arising from and after the Effective Date, except as otherwise expressly provided and in Paragraphs 3 and 4 hereinafter.

3. **Liabilities Retained by Assignor**. Notwithstanding anything in Assignment to the contrary, Assignor acknowledges that it is not assigning to Assignee, and that Assignee is not assuming, any obligation or liability under the Lease arising or accruing prior to the Effective Date. This Assignment shall not operate to relieve Assignor from any of its obligations to Landlord under said Lease arising or accruing prior to the Effective Date.

4. **Representation and Warranties by Landlord and Assignor**. Landlord and Assignor represent and warrant to Assignee that:

a. The Lease is in full force and effect and has not been modified as of the date hereof.

b. Assignor is not in default under the Lease, Assignor has not received any notice of default under the Lease, and, to its best knowledge, there are no events which have occurred that, with the giving of notice or the passage of time or both, would result in a default by Assignor under the Lease.

5. **Assignee's Use of Property**

a. Assignee will utilize the Property for and in conjunction with those business operations specified in Exhibit B attached hereto and made a part hereof.

b. Assignee will construct those improvements upon the Property specified in Exhibit B.

6. **Insurance**. Assignee shall provide Landlord with insurance coverages and limits as specified in Exhibit C attached hereto and made a part thereof. Additionally, the insurance provisions set forth in Exhibit C shall govern throughout the term of this Assignment and shall supersede Section 15 of the Lease.

Such approval is contingent in part upon said Board receiving confirmation prior to approval that Assignee has sufficient insurance coverage (including environmental insurance) in force to satisfy the requirements specified in Exhibit C.

7. **Environmental Compliance & Obligations**.

a. Assignee shall pay for a “baseline” report of the environmental condition of the Property, to be conducted within thirty (30) days following the Effective Date by an environmental consultant selected by Landlord.

b. Assignee’s obligations respecting environmental compliance are set forth in Exhibit D, attached hereto and made a part hereof, and which shall govern throughout the term of this Assignment.

8. **Lump Sum Payment**. Assignee shall make an immediate lump sum payment of \$10,000 for environmental testing and study to Landlord upon approval of this Assignment by the Board of Harbor Commissioners of the City of Milwaukee.

9. **Security Deposit**. Assignee shall, immediately upon approval of this Assignment by the Board of Harbor Commissioners of the City of Milwaukee, deposit with the Landlord, a security deposit in the amount of One Hundred Thousand and 00/100th Dollars (\$100,000) either in cash or as a letter of credit in a form reasonably acceptable to Landlord. This security deposit shall be placed into an interest-bearing escrow account as security for Assignee’s performance of its obligations under this Assignment for a period of two years. If the improvements to the Property as enumerated on Exhibit B are not fully completed within two (2) years of the effective date of this Assignment, this security deposit shall be forfeited by Assignee and shall become the property of Landlord.

10. **Term of Assignment; Successor Lease**. This Assignment shall remain effective for the remaining duration of the Lease term, which term shall expire on August 16, 2015. Assignee and Landlord agree to negotiate in good faith with respect to attaining agreement on the terms and conditions of a successor lease, to take effect as of August 17, 2015.

11. **Inspection of Property.** Assignor and Assignee mutually agree to waive their right to a joint inspection of the Property with Landlord. This right is waived on the basis that Assignee is purchasing the assets in “as is” condition as stated in Purchase Agreement.

12. **Indemnity.** Assignee hereby agrees to indemnify, defend, and hold harmless Assignor from and against any and all losses, costs, claims, or expenses (including reasonable attorney’s fees, court costs and ancillary expenses) arising out of any obligation or liability of Assignee as the Tenant under the Lease arising or accruing on or after the Effective Date.

13. **Notices.** Whenever in this Assignment it shall be required or permitted that notice be given by any party to any other party, such notice shall be delivered in person or sent by U.S. Certified Mail, postage prepaid, return receipt requested, as follows:

To Assignor:

NuStar Energy, L.P.
P.O. Box 691470
San Antonio, TX 78269-1470 210-345-4822
attn: Mr. Winson B. Low, Vice President

To Assignee:

Tanco-Milwaukee, LLC
c/o Wolf Lake Terminals, Inc.
Box 565
Hammond, IN 46325
Attn: Mr. Garland Middendorf

To Landlord:

Board of Harbor Commissioners
2323 S. Lincoln Memorial Drive
Milwaukee, WI 53207
Attention: Municipal Port Director

If notice is delivered personally, such notice shall be deemed received when received by the party to whom it is directed. If notice is sent by mail as provided above, such notice shall be deemed received three days after mailing.

14. **Consent by Landlord.**

a) Landlord, upon execution of this Assignment, hereby consents to the making of this Assignment and to all of the terms and conditions hereof, and acknowledges that all conditions required for such consent contained in the Lease have been fulfilled or are hereby waived.

b) Effective as of the Effective Date, Landlord hereby agrees to recognize Assignee as the Tenant under the Lease and thereby establish direct privity of contract with Assignee, and further grants to Assignor a novation in respect of all liabilities and obligations under the Lease arising or accruing on or after the Effective Date.

15. **Binding Effects.** This Assignment shall be binding upon and inure to the benefit of the successors and assigns of Landlord, Assignor and Assignee.

16. **Headings.** The section headings used herein are inserted for convenience only and shall not affect any way the meaning or interpretation of this Assignment.

17. **Governing Law.** This Assignment shall be governed by, and construed and enforced in accordance with, the laws of the State of Wisconsin, without giving effect to its conflict of laws principles.

18. **Counterparts.** This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Assignment on the date first above written.

ASSIGNOR:
SUPPORT TERMINALS
OPERATING PARTNERSHIP, L.P.

ASSIGNEE:
TANCO-MILWAUKEE, LLC

By _____
Winson B. Low, Vice President

By _____
Garland Middendorf

LANDLORD:
CITY OF MILWAUKEE

By _____
Its Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have by their duly authorized officers executed this Assignment under seal as of the day and year first above written.

In the Presence of:

**BOARD OF HARBOR
COMMISSIONERS**

(witness signature)

Daniel J. Steininger, President

(witness signature)

Donna Luty, Secretary

**STATE OF WISCONSIN
MILWAUKEE COUNTY**

Personally came before me this _____ day of _____, 20____, Daniel J. Steininger, President, and Donna Luty, Secretary of the Board of Harbor Commissioners, who by its authority and on its behalf executed the foregoing instrument and acknowledged the same.

NOTARY PUBLIC, State of Wisconsin
My Commission Expires_____

**STATE OF DELAWARE
_____ COUNTY**

Personally came before me this _____ day of _____, 20____, Winson B. Low, Vice President of SUPPORT TERMINALS OPERATING PARTNERSHIP, L.P., who by its authority and on its behalf executed the foregoing instrument and acknowledged the same.

NOTARY PUBLIC, State of Wisconsin
My Commission Expires_____

STATE OF INDIANA
_____ **COUNTY**

Personally came before me this _____ day of _____, 20____, Garland Middendorf, _____, of TANCO-MILWAUKEE, LLC, who by its authority and on its behalf executed the foregoing instrument and acknowledged the same.

NOTARY PUBLIC, State of Wisconsin
My Commission Expires _____

APPROVED as to Form and Execution this
_____ day of _____, 20____.

Assistant City Attorney

1/30/08

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