

Lease

*Orderum X*

THIS TRIPLE NET LEASE AND PURCHASE AGREEMENT ("Agreement")

Dated November 16th, 2010 is made between Marge's JKL Inc., Lesser and Capital One Petroleum, LLC, Lessee regarding the lease and purchase of a Gas Station with convenience store and car wash sales facility ("Facility") AT 735 E. WASHINGTON AVE., MADISON, WI 53703 and described as follows:

Together with buildings, appliances, fixtures, equipment and machinery located at the Facility, being leased/ purchased "as is". Lessee is not leasing or accepting any inventory that Lessor may have. Lessee is not assuming or accepting any of the debt or liability Lessor may have as of the date of this agreement.

Now Therefore, Lesser and Lessee, intending to be legally bound, agrees to the following:

1. Term

(a) The term of this Agreement begins December 1, 2010 and ends on April 30, 2017

2. Facility Rent

TERMS AND PAYMENT

*Lease payments for monthly rent will not be applied towards purchase price.*

- \$10,000 per month - December 2010, January 2011, February 2011
- \$12,000 per month - March 2011 to November 2011
- \$13,000 per month - December 2011 to November 2012
- \$14,000 per month - December 2012 to November 2013
- \$14,000 per month - December 2013 to April 2014
- \$14,000 per month - May 2014 to April 2017

Note: Lessee will take over possession of place on November 19th 2010 and rent will start on December 1, 2010.

(a) Lessee shall have the option to purchase the property (Including land , Building, and all assets of Lesser on the premises) and the business at any time before the ending of full lease term ( April 30, 2017) without any penalty, for the purchase price of One Million Four Hundred seventy five thousand Dollars (\$1,475,000), and payable as follows: The down payment of Two Hundred Forty-two Thousand Dollars (\$242,000) shall be paid upon the execution of this Lease; an additional down payment of Forty thousand (\$40,000) will be paid on June 2011 the balance of One Million One Hundred Ninety-three Thousand Dollars (\$1,193,000) of Purchase Price shall be paid at the time of real estate closing. For example the purchase price \$1,475,000-\$282,000 (\$242,000 down payment +\$40,000 additional down payment) =\$1,193,000 balance of purchase price due at the time of closing. Lessee shall give written notice to lesser of his intention to exercise said option to purchase at any time after the date of this Lease. The real estate closing of the transaction shall take place thirty (30) days after the exercise of the option. Lesser shall furnish Lessee for examination at least fifteen (15) days prior to the date of closing an owner's policy for title Insurance in the amount of the full purchase price (\$1,475,000) naming Lessee as the insured written by a responsible title insurance company which policy shall guarantee Lessee's title to be free and clear of all liens and encumbrances subject to municipal and zoning ordinances. If Lessee does not exercise his option to purchase, down payment will **not** be refundable.

(b) Lessee reserves the right to remodel, add, remove, changes, real estate and personal property associated with 735 E. Washington Ave. Madison, WI as per Lessee business plan.

(c) Lessee will buy BP gasoline from Lakeside Oil Co. as per Lesser's the gasoline fuel supply agreement with Lakeside Oil Company, Inc. dated April 20, 2004 and ending on April 30, 2014. After April 30, 2014 Lessee have right to buy gasoline anywhere lessee will choose. Lessee shall have no obligation to extend or renegotiate the fuel supply agreement with Lakeside Oil Company. Lessee will take over the place on November 19th 2010 can buy BP gasoline from Lakeside Oil Co. under Marge's JKL Inc. credit term set with Lakeside Oil Co. (which are 10 days net of date of delivery of gasoline) until lessee will be approve and authorize by Lakeside Oil Company.

(d) The rent is due and payable on the first day of each month. Payment shall be drafted by lesser from Lessee bank account by electronic funds transfer ('EFT') unless lesser specifies another means of payment. At This time lesser want rent to be mailed at the address below. In the event the rent is more than FIVE days late and fault of lessee then subject to a \$50 late charge. This Agreement is subject to Lessee receiving all the appropriate governmental approvals to continue open as a gas station/convenience store/car wash.

(e) Lesser has the right to impose a \$50.00 service charge against Lessee for each EFT Draft or check in the mail which is returned for non-sufficient funds whether or not subsequently made good by Lessee to Marge Powell 4695 Pierceville Road, Cottage Grove, WI

*B*  
*[Signature]*

53527. All notices shall be in writing and mailed by certified mail.

### 3. Taxes, Fees and Utilities

(a) Lessee will pay all real estate property taxes on the Facility. Lessee agrees to assume and pay any property tax on Lessee's personal property, as well as all sales tax, excise tax (manufacturer's or otherwise), inspection fee, duty (import or export), license fee (import or export), tonnage charge, assessment, or other like charge which is levied, assessed or imposed by federal, state or local authority upon the personal property, products or transactions contemplated hereunder (including the delivery, sale, use or consumption of the products or privilege of doing any of same) by Lessee's business operation, or which is imposed on or measured by the price of the products or the proceeds of sale hereunder.

(b) Lessee will pay any and all license, occupation and inspection fees or charges for use or occupancy of the Facility. Lessee will obtain and maintain any and all licenses and permits in Lessee name.

(c) Lessee will pay all sewers, water, heat, light and all other operating expenses in connection with the use of the Facility.

### 4. Condition of Facility

Lessee recognizes that Lesser has developed a favorable reputation for the sale of motor fuel and associated products and the rendering of high quality services and that the Lesser and facility designs and appearance represent an image distinguished for high standards of product quality, facility appearance (inside and out) and customer service. Therefore, Lessee agrees to manage, operate and maintain the Facility in a manner which will maintain and enhance this image and which in no event will detract from or disparage this image.

(a) In particular, without limiting the foregoing obligation, Lessee agrees to do, and to require the Lessee employees to do, the following:

(1) Keep the premises, buildings (interior, and exterior), restroom, sidewalks, approaches, driveways and landscaping in good condition, properly lighted, clean, safe, sanitary and free of trash, rubbish and other debris.

(2) Comply with all applicable federal, state, and local laws, ordinances, rules and regulations, pertaining to health And safety, recognizing that clean, sanitary and healthful conditions is essential in the operation of the Facility. Lessee agrees all date-coded consumable products must be within date code.

(3) Keep the approaches, driveways, entrances, fuel areas, and service areas uncluttered and free at all times of Parked vehicles, trailers, ice, snow and other obstructions.

(4) Provide a safe place to work for Lessee's employees, and maintain and operate the Facility in compliance with all applicable laws, regulations and rules concerning safety of the work place environmental protection and compliance. Lessee will provide all employees with adequate training concerning workplace safety, safe work practices and environmental protection and compliance; Lessee acknowledges that safety of the workplace and environmental protection and compliance are Lessee's responsibility and not Lessor's.

(5) Notify lesser immediately in the case of an emergency at the Facility. Emergency events include: death of customers, employees or contractors; injuries of any nature to any person on the Facility, including but not limited to customers, employees or contractors; damages from a spill or underground release; and any event that may have a negative impact on Lessor's public image or community relations.

(6) Keep public rest-rooms, where available and clean and adequately stocked with soap and paper products.

(7) Comply with all laws, ordinances, rules and regulations of any and all constituted public authorities governing the use and occupancy of the Facility and the conduct of Lessee's business at the Facility.

(8) Maintain at all times for purposes of resale to the public a volume and variety of convenience products if Lessee operates a convenience store operation. Lessee will use best efforts to keep the retail selling space fully stocked at all times.

(9) Store, sells or consumes any illegal drugs, or otherwise promotes illegal activity on the Facility; and no one will be permitted to work on the Facility while under the influence of an illegal drug.

(10) Allow loitering by persons who at the time have no proper business purpose on the Facility.

(11) Attach or place anything anywhere which could diminish the lesser or confuse or deceive the public.

Handwritten signature and initials in the bottom right corner of the page.

(12) Maintain or permit to be present on the Facility any item, animal or condition that may endanger the health, safety or well being of persons on the Facility

(b) Lesser states that as of the date of this agreement there are no prior environmental, hazardous waste or similar concern at this property, and Lessor will fully indemnify and hold harmless Lessee for any and all costs Lessee may incur in response to any investigation, review, law suit (civil or criminal), administrative proceeding or other matter involving a claim of the presence of such environmental, hazardous waste or similar problem on the property prior to the date of this agreement.

#### 5. Daily Inventory

(a) Lessee must keep daily and monthly inventory reconciliation records of the amounts of gasoline and diesel fuels in storage at the Facility, and retain them for a one-year period or such longer period as required by law or as may be specified, and must make them available and report them to government enforcement agencies.

#### 6. Compliance with Laws

(a) Lessee agrees to become informed about and comply fully with all federal, state, and municipal laws, rules, regulations, ordinances, use permits, and all conditions and restrictions with regard to the use and condition of the Facility and with regard to Lessee's activities thereon. Without limiting the foregoing, Lessee must comply with all requirements of federal, state, and local occupational, health and safety agencies, and environmental protection agencies, concerning the receipt, storage, handling, use, sale and dispensing of motor fuels, the disposal of waste materials, and Lessor's other activities on the Facility, including particularly those governing recovery of vapors, and the like.

(b) Without limiting the generality of the foregoing, Lessee must comply with all of the obligations imposed by the federal Clean Air Act and any corresponding state counterparts, as amended, including but not limited to: (1) 40 C.F.R. Part 80, Subpart D, regarding reformulated gasoline; (2) 40 C.F.R. Part 80, Subpart C., regarding oxygenated gasoline; (3) 40 C.F.R. Part 80, Subpart B (specifically 40 C.F.R. sections 80.27 and 80.28), regarding gasoline volatility; (4) 40 C.F.R. Part 80, Subpart B (specifically 40 C.F.R. sections 80.29 and 80.30) regarding sulfur content in diesel fuel; (5) 40 C.F.R. Part 80, Subpart G, regarding deposit control additives in gasoline; and (6) 40 C.F.R. Part 80, Subpart H, regarding low sulfur gasoline; the Resource Conservation and Recovery Act, as amended, 42 USE Section 6901 et seq., the Clean Water Act, as amended, 33 USC Section 1251 et seq., and the Safe Drinking Water Act, as amended, 42 USE Section 300f et seq.

(c) Lessee agrees to comply with all applicable local, state and federal underground storage tank ("UST") compliance requirements and maintain written records of all maintenance and inspections of UST equipment for as long as required by law. Lessee agrees to all costs of equipment, tanks.

(d) Lessee will maintain accessible features and accessible paths of access on the Facility in compliance with all applicable federal, local and state accessibility laws including, but not limited to, the Americans with Disabilities Act ("ADA").

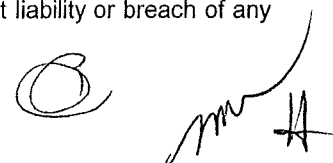
#### 7. Independent Business

It is mutually agreed that the business conducted by Lessee on the Facility is the independent business of Lessee, and this Agreement will not be construed as reserving to or conferring upon lesser any right to direct or control Lessee or any of Lessee's employees in the conduct of Lessee's business. Lessee has no authority to employ any person as an agent or employee of Lesser any purpose, and neither Lessee nor any other person performing any act in connection with the operation of Lessee's business at the Facility will be deemed to be an employee or agent of Lesser. Lessee will not erect or permit any sign or other advertising device on or near the Facility which in any way indicates or represents that lesser is the operator of the business conducted by Lessee at the Facility.

#### 8. Liability, Indemnity

To the fullest extent permitted by law, Lessee must indemnify, defend and hold harmless Lessor, its parents, subsidiaries and affiliated companies, and their respective shareholders, directors, officers, agents and employees (collectively "Lessor"), from and against any and all losses, suits, claims, demands, causes of action, liabilities, costs or expenses (including reasonable attorneys' fees and costs of defense) of whatever kind or nature including but not limited to those for personal injury, death or property damage to Lesser or Lessee, their shareholders, directors, officers, employees, agents, contractors, invitees, licensees and any other person(s) entering upon or in proximity to the premises, directly or indirectly arising in whole or in part from or as a result of:

(a) Any act, omission, fault or negligence of Lessee or Lessee's agents, employees, contractors, invitees or licensees, regardless of whether caused by the joint, concurrent contributory or comparative fault, negligence, breach of warranty, strict liability or breach of any legal duty whatsoever.



(b) Any allegation of agency or any other relationship by which lesser could be held responsible for the acts or omissions of Lessee or Lessee's employees or agents.

(c) The purchase, sale, use or storage of any goods, products, equipment or other items on the Facility, or the repair, maintenance or condition of the Facility and all equipment and fixtures appurtenant thereto, or the purchase or sale of any services from the Facility.

(d) Any illegal activity conducted on the Facility or from the violation of any federal, state or local law, rule regulation or court order or governmental or agency directive.

(e) Excluding Less or's sole negligence, any and all acts, of any nature, which result in damage to Less or's Facility or property.

## 9. Grounds for Termination and Nonrenewal

(a) Abandonment of the Facility by Lessee or failure by Lessee for any reason to operate the Facility for normal sales of motor fuel, or such lesser period which under the facts and circumstances constitutes an unreasonable period of time, and at least 30 days after Lesser delivers written notice thereof to Lessee.

(b) Lessee or any of Lessee's employees or agents of any illegal, or other improper act relevant to the operation of the business on the Facility which is detrimental to Lesser.

(c) Failure by Lessee to pay to Lesser in full or over 90 days late when due all sums to which Lesser is legally entitled, and at least 30 days after Lesser delivers written notice thereof to Lessee.

(d) Removal of, or significant reduction in, Lessee's assets located on the Facility.

(e) Failure of to exert good faith efforts to carry out the provisions of this Agreement. In the event of a default in the performance of any of the provisions of this Lease, Lessee has right to cure within sixty (60) days after receiving written notice from lesser (mailed by certified mail).

(f) Failure of Lessee to comply with any law or regulation relevant to the operation of Lessee's business on the Facility.

## 10. Succession in Interest Designation

Lessee designates the following as Successor in Interest between Lessee and lesser resulting from this Agreement:

### Primary Successor in Interest

Name: Harjeet S. Walia

Address: 9519 N. River Bend CT River Hills, WI 53217

Birth Date: 11-04-1972

Relationship to Lessee: Brother

### Alternate Successor in Interest

Name: Manpreet Kaur

Address: 9517 Blue Heron Drive, Middleton, WI 53562

Birth Date: May 29, 1997

Relationship to Lessee: Daughter

Lessee acknowledges that designated successors in interest will be considered for trial basis provided they meet Less or's then current standards and qualifications for dealer candidates. Lesser reserves the right to request any additional documentation to verify designees.

## 11. Right of Entry

At any time during the term of this Agreement and any holdover period, Lesser has the right, without process of law without any liability or obligation to the Lessee, to enter upon the Facility at any time, at least 30 days after Lesser delivers written notice thereof to Lessee, for the purpose of inspection of the Facility, equipment, exercising any rights that Lesser may have in this Agreement or in any other contract or agreement between the parties.

## 12. Matters of Record, Zoning

This Agreement is subject to all mortgages, building and zoning and use restrictions of record, easements, and other liens and encumbrances affecting Lessor's title to the premises at the date of execution hereof. This Agreement is subject to all zoning restrictions of every nature imposed upon the Facility at the date hereof or hereafter imposed during the term of this Agreement.

## 13. Insurance

(a) Without limiting Lessee's obligations, Lessee agrees to purchase and maintain at all times, at Lessee's expense and in compliance with any requirements of applicable law, insurance as outlined in this section. This insurance must be of at least the following minimum kinds and limits:

(1) All risk property insurance, on a replacement cost valuation basis, covering the building, improvements, structure Fixtures owned by Lessor. Lesser shall be included as a loss payee under the commercial property insurance, and Policy shall contain a ***wavier of subrogation*** as respects Lessor;

(2) Commercial general liability insurance in an amount not less than \$2,000,000 per occurrence covering Lessee's Liability for business, operations, use and occupancy of the Facility;

(3) Property damage coverage for the premises in amount of \$50,000.

(4) Workers' compensation insurance as required by statute.

(5) Buildings, canopy, pumps, replaceable coverage.

(a) Lessee agrees to provide lesser with a certificate of insurance, evidencing coverage annually.

(b) Lessee will not materially change, amend, or cancel any of the insurance policies that Lessee is required to obtain under this Agreement without first providing Lesser with 30 days written notice of the intent to do so, and obtaining Less or's prior written consent to such change, amendment or cancellation.

(c) The existence or non-existence of any insurance shall not limit Lessee's liability for indemnity and other obligations contained in the Agreement.

#### **14. Mortgage, Subletting, Assignment, Liens**

Lessee must not voluntarily assign, encumber, mortgage or otherwise transfer this Agreement, or sublet the Facility or any part thereof, or allow or permit the Facility or any part of it to be used or occupied by others, without the prior written consent of lesser in each instance.

Lessee may sublease the premises with prior written approval from lesser. Lessee must not create or permit to be created or to remain, and shall discharge, any mechanic's laborer's or material man's lien on account of labor, materials or services performed or supplied by or for Lessee, or any security agreement, conditional bill of sale, chattel mortgage or other title retention agreement on account of personal property furnished to Lessee (collectively "lien"), which might or does constitute a lien, encumbrance or charge upon the Facility, or any part of it. If any such Lien shall at any time be filed against the Facility or any part thereof on account of labor, materials or services allegedly performed or supplied by or for Lessee. Lessee, within 60 days after notice of the billing thereof, must cause the same to be validly discharged of record by payment, deposit, bond, and order of a court of competent jurisdiction or otherwise.

Lessee will reimburse lesser for any costs and expenses, including attorney's fees and costs of defense, which are incurred as a result of the violation of the provisions of this paragraph by Lessee.

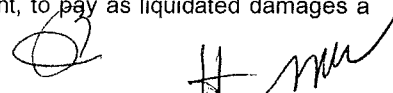
#### **15. Surrender**

(a) Upon the expiration or any termination of this Agreement, Lessee will peaceably surrender and deliver immediate possession of the Facility to Lessor or renegotiated for extension of agreement. Lessee agrees to surrender the Facility, its improvements and any of less or's equipment located thereon in the same condition as they were at the time this Agreement was entered into normal wear and tear excepted.

(b) Upon any expiration or any termination of this Agreement, Lessee will promptly remove any tools, inventory or other property belonging to Lessee unless Lessee is then indebted to lesser, in which event Less or's security interest therein will be enforceable in accordance with the Agreement. In the event Lessee does not remove personal property, within 10 days after expiration or termination of this Agreement, title to such property shall pass to lesser, without further notice. If such removal of Lessee's property causes damage to the Facility, Lessee will make repairs. Upon any failure of Lessee to do so, lesser may restore the Facility at Lessee's expense.

#### **16. Holdover**

In the event Lessee holds over beyond the expiration or any termination date of this Agreement, such holdover tenancy will be a sufferance and shall in no way color the Lessee's possession with any right of tenancy. It is understood and agreed between the parties that the rights accruing to either by reason of a notice of termination or nonrenewal will not be waived and will continue in full force and effect. It will be the responsibility of Lessee, if Lessee remains in possession without Lessor's consent, to pay as liquidated damages a



sum, computed on a daily basis, equal to three times the then current rental rate or the highest rate allowed by law.

**17. Notices**

All notices given pursuant to this Agreement are considered to be properly given if sent by certified mail addressed to Lessee at the Facility address as shown in the introduction to this Agreement and to Lessor address at Marge Powell 4695 Pierceville Road, Cottage Grove, WI 53527. Date of service of a notice served by certified mail is the date deposited in the United States Mail.

**18. No Waiver**

No failure to act on an incident of breach and no course of dealing will be construed as the waiver of the right to act. The waiver of any breach of any covenant, condition or stipulation contained herein will not be taken to be a waiver of any subsequent breach of the same or any other covenant, condition, or stipulation. Any failure of Lessor to enforce rights or seek remedies upon any default of Lessee with respect to any of the obligations of Lessee hereunder will not prejudice or affect the rights or remedies of Lessor in the event of any subsequent default of Lessee.

**19. Execution**

Lessee is aware that this Agreement may be signed on behalf of lesser only Marge Powell acknowledges that this Agreement is not executed until so signed. Lessee expressly acknowledges and agrees that no agent or employee of lesser may waive, alter or modify any of the provisions of this Agreement or in any way bind lesser to obligations not set forth in this Agreement. The provisions of this Agreement may not be waived, altered or modified except by a written agreement which is executed by Lessee and delivered to Lessee. THIS AGREEMENT SHALL NOT BE BINDING UNLESS FULLY EXECUTED.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed.

Lessee Signature:

Harpreet Kaur  
Capital One Petroleum, LLC  
Harpreet Kaur Member

LESSOR

By:

Marjorie Powell  
Marge's JKL Inc.  
Marjorie Powell

Dated: 11-16-10

Title:

les

Witness: Margaret S. walke

Witness: Joseph D. Paul 11/16/10

**Receipt and Acknowledgement (of Documents)**

I hereby acknowledge receipt of my fully executed copy of Lease Form and all attachments and contracts supplemental to said Lease from Marjorie Powell dated the 16 day of NOVEMBER, \_\_\_\_\_ covering service station premises more fully described therein 735 E. Washington, Madison, WI 53703

Date this 16 day of NOVEMBER, 2010.

Harpreet Kaur  
Lessee - Capital One Petroleum, LLC  
Harpreet Kaur Member

Marge Powell  
Marge Powell, Lessor - Marges JKL, Inc.





Sec. 183.0202  
Wis. Stats.

State of Wisconsin  
Department of Financial Institutions

**ARTICLES OF ORGANIZATION - LIMITED LIABILITY COMPANY**

Executed by the undersigned for the purpose of forming a Wisconsin Limited Liability Company under Chapter 183 of the Wisconsin Statutes:

- Article 1. **Name of the limited liability company:**  
Capital One Petroleum, LLC
- Article 2. **The limited liability company is organized under Ch. 183 of the Wisconsin Statutes.**
- Article 3. **Name of the initial registered agent:**  
Harpreet Kaur
- Article 4. **Street address of the initial registered office:**  
9519 North Riverbend Court  
River Hills, WI 53217  
United States of America
- Article 5. **Management of the limited liability company shall be vested in:**  
A member or members
- Article 6. **Name and complete address of each organizer:**  
Harpreet Kaur  
9519 North Riverbend Court  
River Hills, WI 53217  
United States of America
- Other Information. **This document was drafted by:**  
Ajit Walia

**Organizer Signature:**  
Harpreet Kaur

**Date & Time of Receipt:**  
11/9/2010 3:01:32 PM

**Credit Card Transaction Number:**  
201011092403005

# ARTICLES OF ORGANIZATION - Limited Liability Company(Ch. 183)

Filing Fee: \$130.00  
Total Fee: \$130.00

ENDORSEMENT

## State of Wisconsin Department of Financial Institutions

EFFECTIVE DATE	
11/9/2010	

<b>FILED</b> 11/9/2010	Entity ID Number C078129
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