

MEMORANDUM OF UNDERSTANDING

between the
City of Sparks Fire Department
and
Kinder Morgan SFPP, L.P

I. Purpose

The purpose of this Memorandum of Understanding (“MOU”) is to establish a working arrangement between the City of Sparks Fire Department (“Department”) and Kinder SFPP, L.P. (“KM”) (collectively the “Parties”) to promote certain operational efficiencies and enhanced fire protection capabilities for the KM assets located at the KM Reno Terminal (301 East Nugget Avenue, Sparks, NV 89431).

II. Background

The KM Reno Terminal is comprised of refined petroleum products tanks erected on thirty (30) acres of land. The facility stores and terminals various commodities, including, but not limited to, conventional gas, CARB ULSD, EPA ULSD, turbine, JP-8 and ethanol. Situated adjacent to Interstate 80 in Sparks, NV, the KM Reno Terminal requires unique fire suppression and protection capabilities due to the nature and scale of the activities engaged in at the facility.

III. Collaborative Objectives and Acknowledgments

The Parties understand and agree that the nature of the activities undertaken at the KM Reno Terminal requires flammable and combustible liquid fire suppression capabilities. KM agrees to provide the Department with certain fire suppression equipment in order to better protect the KM assets located at the KM Reno Terminal. KM understands that the provision of this equipment does not create an obligation on the part of the Department nor does this MOU or any other agreement constitute a guarantee of service. KM further understands that the Department’s use of the equipment provided by KM will not be restricted to the KM Reno Terminal exclusively.

IV. Working Agreement

The Parties agree to implement the Fire Protection Plan created by Spec Services, Inc. on behalf of KM and published on March 9, 2010. A copy of the Plan is attached to this MOU as “Exhibit 1.”

KM will provide the Department with foam proportioning and distribution equipment of sufficient type and quality to implement the Plan. The type, quantity, and quality of the equipment required to implement the Plan has been determined by the Department. The Department’s equipment is defined as “Exhibit 2.”

The above described equipment provided by KM will be mounted on a surplus truck provided by the Department. KM will pay for any and all costs associated with mounting the equipment on the truck. The Department will house, operate, and maintain the equipment and the truck in accordance with the manufacturers’ recommendations and all applicable codes and regulations.

The Department will retain title to both the equipment provided by KM and the truck it is ultimately mounted to. The Department will maintain full coverage insurance on both the equipment and the truck at all times, including the period of build out.

KM will supply and maintain trailer mounted foam totes at the KM Reno Terminal. KM agrees to house and maintain the foam totes and trailer according to the manufacturer's recommendations and all applicable codes and regulations. The Department will have access to the foam totes and trailer at all times and the use of this equipment will be available for use outside the KM Reno Terminal on request if mutually agreed by the Parties.

KM will retrofit the existing storage tanks at the KM Reno Terminal in accordance with the Plan. The Parties agree to negotiate a schedule for this undertaking defined as "Exhibit 3", and recognize that the retrofitting of tanks with internal floating roofs at the KM Reno Terminal are a higher priority than others .

KM will have the right to periodically and reasonably inspect the foam proportioning and distribution equipment provided to the Department.

The Department will have the right to periodically and reasonably inspect the foam totes and trailer housed at the KM Reno Terminal.

V. General

This MOU is strictly for internal management purposes for each of the Parties. It is not legally enforceable and shall not be construed to create any legal obligation on the part of either Party. This MOU shall not be construed to provide a private right or cause of action for or by any person or entity.

KM agrees that the activities it undertakes herein are not intended to create a monetary obligation on the part of the Department and that KM will not seek compensation from the Department in connection with its participation hereunder.

This MOU will be in effect for a period of ten years and can be renewed by written agreement of both Parties. It can be terminated by either Party at any time by providing notice in writing to the other Party.

This MOU in no way restricts either of the Parties from participating in any activity with other public or private agencies, organizations or individuals.

This MOU is neither a fiscal nor a funds obligation document, except for as defined herein.

All agreements herein are subject to, and will be carried out in compliance with, all applicable laws, regulations and other legal requirements.

VI. Points of Contact

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CITY OF SPARKS FIRE DEPARTMENT

KINDER MORGAN

By _____

By _____

Name _____

Name _____

Title _____

Title _____

Date _____

Date _____