



# **General Terms for Exchange and Sale of Petroleum Products and Natural Gas Liquids**

**U.S. Oil & Refining Co.**

**Dated September 1, 2016**

**U.S. OIL & REFINING CO.**  
**General Terms for Exchange and Sale of**  
**Petroleum Products and natural Gas Liquids**  
**Index to General Provisions**

1. General .....	1
2. Deliveries .....	1
3. Quantity .....	1
4. Quality .....	2
5. Title and Risk .....	2
6. Importer/Exporter of Record .....	2
7. Drawback .....	2
8. Warranty .....	2
9. Safety Regulations .....	3
10. Safety and Health Information .....	3
11. Statements and Invoices (Exchanges) .....	3
12. Payment (Purchases & Sales) .....	3
13. Taxes .....	4
14. Financial Responsibility .....	4
15. Exchange Basis .....	4
16. Balances .....	4
a. Balances: Products .....	5
b. Balances: Natural Gas Liquid .....	5
c. Exchange Imbalances .....	5
17. Set-Off .....	5
18. Continuing Obligation .....	5
19. Applicable Laws .....	5
20. Compliance with Laws and Regulations .....	5
21. Product Compliance and Documentation .....	6
22. Claims .....	6
23. Waiver .....	7
24. Force Majeure and Contingencies .....	7
25. Business Practices .....	7
26. Conflict of Interest .....	7
27. Audit .....	8
28. Assignment .....	8
29. Odorization .....	8
30. Quality .....	8
31. Storage .....	8
32. Demurrage on Tank Cars .....	8
33. Confidentiality .....	8

**U.S. OIL & REFINING CO.**  
**General Terms for Exchange and Sale of**  
**Petroleum Products and natural Gas Liquids**

1. General: - Except as otherwise specifically agreed to in writing in the agreement or confirmation to which attached or in which referenced (the "Agreement"), these General Terms (the "General Terms"), shall apply to all sales by U.S. Oil & Refining Co. ("Seller") of all petroleum products (collectively hereinafter "Products") to the Buyer identified in the Agreement, except;
  - A. emulsion grade asphalts, all rooking asphalts and all paving grade asphalts, and;
  - B. marine fuels

The Agreement, these General Terms, any carrier access agreement (the "Access Agreement") entered into between Seller and Buyer and, if referenced in the Agreement, Seller's Marine Provisions for the Delivery and Loading of Petroleum Products and Natural Gas Liquids (the "Marine Provisions"), (collectively, the "Contract") contain all agreements, arrangements and stipulations between the parties in respect of the sale of Products contemplated herein (a "Transaction") and supersede all prior agreements, arrangements and stipulations in respect of the same subject. Except where otherwise expressly stated in the Agreement, in the case of any conflict between the documents comprising the Contract, the terms of the Agreement shall be given priority over the other portions of the Contract, except that, to the extent the Access Agreement is inconsistent or contains terms supplemental to the Agreement, the Access Agreement shall prevail. Should any court of competent jurisdiction hold any terms or condition of this Contract invalid or unenforceable, the remaining terms and conditions shall remain in full force and effect.

2. Deliveries - Deliveries shall be made at such times within the Contract delivery window, as may be required by Buyer provided that reasonable advance notice of each delivery has been given by the Buyer to the Seller. At the time of giving notice, the Buyer furnishes Seller all necessary shipping instructions. At the time of delivery, the Seller shall prepare and furnish the Buyer with copies of bills of lading and other shipping papers. Deliveries into trucks and/or tank cars shall be made within the delivering terminal's usual business hours. Buyer agrees it shall be required to execute an Access Agreement prior to withdrawal of product from Seller's truck loading rack.
3. Quantity - Unless otherwise specifically indicated, all quantities delivered shall be adjusted to net gallons at 60 deg F. in accordance with the most current API and ASTM standards. A barrel shall consist of 42 U.S. gallons and a U.S. gallon shall contain 231 cubic inches.

Unless otherwise specified, quantities delivered:

- A. into or from transport trucks and tank cars shall be measured by calibrated meters and/or scale weight and gravity, or if such meters or facilities are unavailable, by applicable calibration tables;
- B. into or from private pipelines shall be measured by calibrated meters, or if such meters are unavailable, by terminal tank gauges; and
- C. into or from common carrier pipelines shall be measured by carriers meter ticket.
- D. For all deliveries where terminal tank gauges must be used, either Party may nominate an independent inspector to verify quantity, and the cost of the independent inspector shall be shared equally by the Parties.

Meters and temperature probes shall be calibrated according to applicable API standards. Buyer given reasonable cause shall have the right at its expense to independently certify said calibration. Each party to the Agreement shall have the right to have one representative present, in addition to the independent inspector, to witness all gauges, tests, meter calibration, and measurements. Such representative must comply with any applicable dock, terminal, and/or pipeline facilities' safety procedures and requirements. However, the gauges, tests, meter calibration, and measurements of the independent inspector, when present, shall be deemed to be binding.

4. **Quality** – Quality determination shall be in accordance with the following:
  - A. Test results to be run on a volumetrically correct composite of samples drawn from Seller's tank(s) at the loading terminal.
  - B. Where a Party requires an independent inspection to determine quality, the inspection shall be made by an independent inspector who is mutually acceptable to both Seller and Buyer, and the Party or Parties (as applicable) requiring an independent inspection shall appoint the independent inspector with the inspection charges for the account of the Party requiring such independent inspection. In the case where both Parties require an independent inspection, the Parties shall share all inspection charges equally. The independent inspector's report shall be made available to both Parties.
  - C. Where no independent inspection of quality takes place, quality determination(s) shall be made by the loading terminal.
5. **Title and Risk** - Title to, and all risk of loss of or damage to, any Product delivered shall pass as follows:
  - A. In the case of Tank Truck deliveries, in the case of bottom loading, at the loading Terminal as the Product passes the inlet flange of the Tank Truck; in the case of top loading, as the Product passes the outlet flange of the loading Terminal hose.
  - B. In the case of Tank Railcar deliveries:
    - a. FCA into Tank Railcar – at the loading Terminal as the Product passes the inlet flange of the Tank Railcar if bottom loaded, or as the Product passes the outlet flange of the loading Terminal hose if top loaded.
    - b. In the case of DAP or DDP from Tank Railcars:
      - i. Delivery point; at the moment that the Tank Railcar arrives at the Delivery Point, unless otherwise stated in the Agreement this option (i) will apply.
      - ii. Constructively Placed: if specified in the Agreement, as the Tank Railcars are Constructively Placed or Actually Placed, whichever is first, at the Delivery Point.
      - iii. At Discharge: if specified in the Agreement, after Tank Railcar discharge at the Delivery Point.
  - C. In the case of pipeline deliveries; if specified in the Agreement as Free into Pipe as the Product passes the inlet flange of Buyer's receiving pipeline system. If specified in the Agreement as Ex-Pipe, as the Product passes the outlet flange of Seller's delivering pipeline system.
  - D. In the case of any other deliveries, other than from marine vessels, when Product passes into the receiving facilities of the Buyer
  - E. In the case of book, stock and/or inventory transfer, on the effective date/time of the transfer. Quantity of a book, stock or inventory transfer to be exact and Quality shall be as per the independent inspection report of the stock transfer tank.
6. **Importer/Exporter of Record** - The party that is the Importer/Exporter of Record of the Products received/delivered under this Agreement agrees to fulfill all requirements applicable to the Importer/Exporter of Record, including but not limited to those of the U.S. Customs and shall pay any applicable import duty or any other applicable fees and fines, penalties or costs. The other party hereto shall provide all information necessary for such importation/exportation in a timely manner.
7. **Drawback** - Unless otherwise negotiated and confirmed in writing, the Seller retains the right to claim, receive, and retain drawbacks on imported duty-paid products and whenever such products are exported, the exporting party shall promptly notify the Seller and shall execute drawback claim forms and assignments in favor of the Seller to enable it to establish its drawback rights under U.S. Customs Regulations.
8. **Warranty** - The Seller warrants:
  - A. that the Product(s) conforms to the product specifications set forth in the Agreement;
  - B. that the Seller has free and clear title to the Product(s) delivered under the Agreement;

- C. that such Product(s) shall be delivered free from lawful security interests, liens, taxes, and encumbrances;
- D. that to the best of Seller's knowledge, the Product(s) in the form delivered is free from any valid claim for patent infringement; and
- E. that the Seller has or shall obtain, at its expense, all the necessary registrations, certificates, permits, licenses and authorizations to deliver the Product(s) pursuant to this Contract.

THE SELLER MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY AND THAT OF FITNESS FOR A PARTICULAR PURPOSE, AND IN NO EVENT, SHALL EITHER PARTY BE LIABLE FOR ANY PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES..

All warranties made under the Agreement shall survive acceptance of or payment for the Product(s) by Buyer.

- 9. Safety Regulations - Buyer agrees that its agents, representatives, and employees will comply with all applicable safety regulations of the Seller's facilities when such agents, representatives, or employees are upon the facilities of the other in connection with the performance of this Contract. Written copies of these regulations, copies may be obtained by request to the Seller .
- 10. Safety and Health Information – Upon request, the Seller will furnish to the Buyer information (including Safety Data Sheet(s)) concerning the safety and health aspects of Product(s) delivered to the Buyer hereunder, including safety and health warnings. The Buyer agrees to communicate such warnings and information to all persons whom the Buyer can reasonably foresee may be exposed to or may handle such Products, including, but not limited to, the Buyer's employees, agents, contractors, and customers.
- 11. Statements and Invoices (Exchanges) - Unless otherwise provided in the Agreement, each party shall render to the other, at the end of each calendar month, statements, reconciliation's of exchange balances, as well as invoices for any differentials, charges, and taxes payable or reimbursable to it, with respect to its deliveries during the month. Each invoice shall be paid (without discount) in accordance with the agreed upon payment terms. Unless otherwise specified, in the event the payment due date falls on a Sunday or Monday banking holiday, payment will be due on the next succeeding business day. In the event the payment due date falls on a Saturday or bank holiday other than a Monday, payment will be due on the first preceding business day.
- 12. Payment (Purchases & Sales) - Unless otherwise provided in the Agreement, each invoice will be paid net three (3) working days by wire transfer from receipt of invoice and acceptable supporting documents. If the invoice and acceptable supporting documentation are received at the billing address on or before 12:00 noon (Pacific Standard Time) on a working day, working day one (1) begins on that day. If the invoice and acceptable supporting documentation are received at the billing address after 12:00 noon (Pacific Standard Time) (or on a non-working day), working day one (1) begins on the first working day following receipt. Unless otherwise specified, in the event the payment due date falls on a Sunday or Monday banking holiday, payment will be due on the next succeeding business day. In the event the payment due date falls on a Saturday or bank holiday other than a Monday, payment will be due on the first preceding business day. If Buyer fails to comply with the terms of payment, Seller may, at its option: a) change the terms of payment; b) without notice to Buyer, defer or divert shipments until payments are made; and c) cancel this Agreement in which event, Seller shall not be required to make further shipments hereunder. In the event of a, b, or c, Buyer will reimburse Seller for all actual collection and legal fees incurred to affect Buyer's payment and interest incurred on unpaid amounts and said fees. Interest will be charged at 1.5% per month, or (if applicable) the highest rate allowed by law, on all past due balances. The exercise by either party of any right reserved under this paragraph shall be without prejudice to any claim for damages or any other right under this Contract or any other agreement or applicable law. If the Transaction is effected via book transfer, quantity to be exact barrels and due date shall be the effective book transfer date, provided the invoice and book transfer confirmations have been received

by 12:00 noon (Pacific Standard Time) on the day preceding the book transfer date; otherwise, the due date shall be the next business day following receipt of the invoice and book transfer confirmation.

13. Taxes - Unless otherwise specifically provided elsewhere in this Contract, or required by law, the Buyer shall pay (or reimburse) the Seller for its payment of taxes, fees, or other similar levies which are levied or assessed upon the purchase, exchange, use, resale, withdrawal, transportation, or handling of the Product(s) if levied or assessed at the time of or after delivery to the Buyer. Such taxes, fees, or other similar levies include, but not limited to, federal manufacturers excise taxes, environmental taxes (which are not based on alternative minimum taxable income of the Seller), state and local motor fuel taxes, state and local sales and use taxes, "oil company" gross receipts or franchise taxes (which are not based on or measured by the net income or net worth of the Seller), business and occupation taxes (except business and occupation taxes levied by the State of Washington or any political subdivision thereof, which shall be paid by the Seller without reimbursement from the Buyer), state and local inspection fees, and state and local oil spill taxes or fees. If gasoline, diesel, or aviation fuel is sold, purchased, or exchanged hereunder, each party represents that it is appropriately registered with the Internal Revenue Service for the purpose of the federal manufacturers excise tax.

The Buyer represents that it holds the applicable state tax registrations to purchase, exchange, use, resale, transport or handle the Product(s). Such Buyer must furnish the Seller with the appropriate state registration number(s) for all states in which business is conducted. In addition, the Buyer must furnish their federal employer identification number to Seller. These notifications must be received by the Seller within thirty (30) days of contract execution or applicable state taxes will be invoiced. Buyer is also required to notify Seller of any change in registration status in states where business is conducted. Notification of state registration numbers or changes in registration status must be mailed to: U.S. Oil & Refining Co., Attn: Tax Department, P.O. Box 2255, Tacoma, Washington 98401-2255.

If the Buyer claims exemption from any of the aforesaid taxes, then Buyer must furnish the Seller with a properly completed and executed exemption certificate in the form prescribed by the appropriate taxing authority in lieu of payment of or reimbursement of such taxes to the Seller. Buyer shall promptly notify Seller in writing of any change in the status of its exemption certificate.

14. Financial Responsibility - If, during the term of this Contract and any liquidation thereof, the financial responsibility (including, but not limited to, either party's ability to perform under any warranty of title provided hereunder) of either party becomes impaired or unsatisfactory to the other party, advance cash payment, properly endorsed negotiable bills of lading, or satisfactory security reasonably acceptable to the demanding party shall be given upon demand, and performance under this Contract or any other agreement may be withheld until such payment, bills of lading, or security reasonably acceptable to the demanding party is received. If such payment, bills of lading, or security reasonably acceptable to the demanding party is not received within fifteen (15) calendar days from demand therefor, the party demanding such payment, bills of lading, or security may cancel this Contract. In the event either party makes an assignment for the benefit of creditors or any general arrangement with creditors, the other party may cancel this Contract without notice. The exercise by either party of any right reserved under this paragraph shall be without prejudice to any claim for damages or any other right under this Contract or any other agreement or applicable law.
15. Exchange Basis - Except for the differentials, taxes, governmental fees, or other payments expressly provided in the Agreement exchanges shall be on a barrel-for-barrel basis without the payment of money by one party to the other party.
16. Balances - Unless otherwise specified in the Agreement, both parties will keep the volumes exchanged under the Contract in approximate balance at all times. Upon termination of this Contract and after the reconciliation and agreement of balances, all remaining balances shall be settled within ninety (90) calendar days as follows:

**A. Products**

- a. Any Product balance equal to or greater than 5,000 barrels will be settled by either a physical delivery or a book transfer to another agreement as mutually agreed in writing before such settlement is made.
- b. Any Product balance less than 5,000 barrels will be settled by either a book transfer to another agreement or be bought or sold based on a price as mutually agreed in writing before such settlement is made.

**B. Natural Gas Liquids**

- a. Any Product balance equal to or greater than 1,000 barrels will be settled by either a physical delivery or a book transfer to another agreement as mutually agreed in writing before such settlement is made.
- b. Any Product balance less than 1,000 barrels will be settled by either a book transfer to another agreement, a stock transfer, or be bought or sold based on a price as mutually agreed in writing before such settlement is made. If no other basis has been agreed upon, the price for the Product will be the month average contract price for the date of last activity.

**C. Exchange Imbalances** - In the event an exchange imbalance arises as a result of one party delivering prior to or more than the other party, subsequent deliveries shall be applied first to such exchange imbalance, and then to further delivery obligations, if any, under this Agreement.

- 17. Set-off** - In the event either party shall fail to make timely delivery of any Product(s) due and owing to the other party, or in the event either party shall fail to make timely payment or reimbursement of any monies due and owing to the other party, the other party may set-off any deliveries or payments or reimbursements due under this Agreement or any other agreement between the parties during the term of this Agreement and any liquidation thereof with prior written notice.
- 18. Continuing Obligation** - The parties do not intend to create a continuing obligation to buy, sell, or exchange Products other than as specified in the Agreement. Accordingly, each party expressly waives any rights it may have under any existing or future, state or federal government regulations to insist upon the continued purchase, sale, or exchange of Products provided in this Contract.
- 19. Applicable Laws** - THIS CONTRACT SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WASHINGTON WITHOUT REGARD TO ANY CHOICE OF LAW RULES. NOTWITHSTANDING ANYTHING TO THE CONTRARY, THIS CONTRACT SHALL NOT BE INTERPRETED OR APPLIED SO AS TO REQUIRE EITHER PARTY TO DO, OR TO REFRAIN FROM DOING, ANYTHING WHICH WOULD CONSTITUTE A VIOLATION OF ANY U.S. LAWS OR REGULATIONS. The Parties agree that the United Nations Convention on Contracts for the International Sale of Goods and INCOTERMS shall not in any way apply to, or govern any Transaction hereunder.
- 20. Compliance With Laws and Regulations** - Each party shall be responsible and liable for and agrees to indemnify and hold the other party harmless against all costs, expenses, losses, claims, damages, assessments (including without limitation professional fees, penalties, and interest), causes of action, judgments, fines, settlements, penalties and liabilities (joint and several), without regard to amount, arising out of, caused by, or resulting from the indemnifying party's failure to comply, or indemnifying party's products failure to comply, with all applicable federal, state, and local laws, ordinances, orders, rules and regulations, including but not limited to, those governing Reid Vapor Pressure, low sulfur diesel, reformulated gasoline, and additives. The Seller certifies that the product(s) it delivers under the Contract will be produced and delivered in full compliance with all applicable governmental laws, regulations, and orders including, but not limited to, the Clean Air Act and the EPA regulations promulgated thereunder.

It is understood by the Parties that each Party is entering into this Contract in reliance on the laws, rules, regulations, decrees, agreements, concessions and arrangements (the "Regulations") in effect

on the date hereof with governments, government instrumentalities or public authorities affecting the Product sold/purchased hereunder including, but without limitation to the generality of the foregoing, those relating to the production, acquisition, gathering, manufacturing, transportation, storage, trading or delivery thereof, insofar as such Regulations affect the Parties.

In the event that at any time and from time to time during the term of the Contract any Regulations are changed or new Regulations become effective, whether by law, decree or regulation or by response to the insistence or request of any governmental or public authority or any person purporting to act therefore, and the material effect of such changed or new Regulations (a) is not covered by any provision of this Contract, and (b) has a material adverse economic effect upon either Party, the affected party shall have the option to request renegotiation of the prices or other pertinent terms provided for in this Contract. The said option may be exercised by the affected Party at any time after such changed or new Regulation is promulgated, by written notice of desire to renegotiate, such notice to contain the new prices or terms desired by the requesting Party. If the Parties do not agree upon new prices or terms within thirty (30) days after the requesting Party gives such notice, requesting Party shall have the right to terminate this Contract at the end of the said thirty (30) day period. Any Product lifted during such thirty (30) day period shall be sold and purchased at the price and on the terms applying hereunder without any adjustment in respect of the new or changed Regulations concerned.

## 21. Product Compliance and Documentation

(G) Gasoline - Each party agrees to comply with all federal, state, and local volatility regulations for Gasoline and alcohol blends (including, but not limited to, 40 C.F.R. 80.27 and 80.28) and to comply with all federal and state laws for oxygenated gasoline. Seller hereby certifies that any product delivered pursuant to this Contract is in compliance with the standard(s) applicable to the delivery location when delivered to the Buyer. Seller agrees to provide to Buyer for each delivery a certificate of analysis, a bill of lading, a delivery ticket, or a loading ticket that certifies and correctly states the maximum Reid Vapor Pressure (RVP) of the Product at the time of delivery during the government mandated season for RVP and that certifies that the Product is in compliance with all applicable regulations during the control period for oxygenated gasoline. Buyer agrees to sell, offer for sale, dispense, supply, offer for supply, and transport said Product in compliance with all federal state, and local volatility and other applicable regulations.

(B) Low Sulfur Diesel - Each party agrees to comply with all federal, state, and local regulations for low sulfur diesel fuel (including, but not limited to, 40 C.F.R. 80.29 and 80.30) and hereby certifies and warrants that any Product delivered pursuant to this Contract complies with the applicable standards when delivered to the Buyer. Buyer agrees to sell, offer for sale, dispense, supply, offer for supply, and transport in compliance with all said federal, state, and local regulations.

(C) Reformulated Gasoline - Each party agrees to comply with all federal, state, and local regulations for reformulated gasoline (including, but not limited to, 40 C.F.R., Part 80, Subpart D) and hereby certifies and warrants that any Product delivered pursuant to this Contract complies with the applicable standards when delivered to the Buyer. Buyer agrees to sell, offer for sale, dispense, supply, offer for supply, and transport in compliance with all said federal, state, and local regulations.

(D) Additives - Each party agrees to comply with all federal, state, and local regulations for gasoline additives (including, but not limited to, 40 C.F.R., Part 80, Subpart G) and hereby certifies and warrants that any product delivered pursuant to this Contract complies with the applicable standards when delivered to the other party. Buyer agrees to sell, offer for sale, dispense, supply, offer for supply and transport in compliance with all said federal, state, and local regulations.

## 22. Claims - Claims as to shortage in quantity or defects in quality shall be made by written notice to the other party within ninety (90) days after the delivery in question or shall be deemed to have been waived. IF NO FORMAL WRITTEN CLAIM IS RECEIVED WITHIN NINETY (90) DAYS AFTER DELIVERY OF THE PRODUCTS TO THE BUYER, THE CLAIM SHALL BE DEEMED TO HAVE



BEEN WAIVED. NO CLAIMS FOR PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY NATURE SHALL BE MADE BY EITHER PARTY UNDER THIS CONTRACT.

- 23. Waiver** - No waiver by either party of any breach by the other party of any of the covenants or conditions herein contained shall be construed as a waiver of any succeeding breach of the same or of any other covenant or condition thereof.
- 24. Force Majeure and Contingencies** - Neither party shall be liable to the other for failure or delay in making or accepting deliveries hereunder to the extent that such failure or delay is excused by law or is the result of (1) action of the elements resulting in failure or delay beyond the reasonable control of the party, or (2) a disruption or breakdown of production or transportation facilities beyond the reasonable control of the party, or (3) any other cause, whether or not of the same class or kind, that is beyond the reasonable control of such party.

In addition, either party shall be excused from making or accepting deliveries to the extent making or accepting deliveries is prevented by (1) compliance, whether voluntary or involuntary, with acts, orders, regulations, or requests of any federal, state, or local civilian or military authority, or any person purporting to act therefore, or (2) insurrections, wars, rebellions, or riots, or (3) strikes or labor difficulties, even though the labor difficulty or strike could be settled by acceding to the demands of a labor group or others. Where mode of delivery is by or to pipeline, the Seller shall also have the same rights under force majeure as granted to the pipeline carrier by the relevant tariff, if any.

If, by reason of the causes enumerated above, making or accepting deliveries under the terms and conditions of this Contract is curtailed in part, the prevented party shall allocate the volumes otherwise meeting the terms of the Contract that it can deliver or accept in the ordinary course of business among its suppliers or customers in manner which is fair and reasonable. The prevented party may include its own requirements and contractual obligations in allocating any volumes. In the event of such curtailments, neither party is required to deliver or receive volumes that do not otherwise meet the terms and conditions of this Contract in all respects including, but not limited to, time of delivery and description.

In the event a party is unable to perform hereunder, such party shall promptly notify the other party in writing of the underlying circumstances and the expected duration.

**25. Business Practices**

- A. Each party hereto agrees to comply with all laws and lawful regulations applicable to any activities carried out in the name of or on behalf of the other party under the provisions of this Contract and/or any amendments to it.
- B. Each party hereto agrees that all financial settlements, billings, and reports rendered to the other party as provided for in this Contract and/or any amendments to it will to the best of its knowledge and belief reflect properly the facts about all activities and Transactions related to this Contract, which data may be relied upon as being complete and accurate in any further recording and reporting made by such other party for whatever purpose.
- C. Each party hereto agrees to notify the other party promptly upon discovery of any instance where the notifying party fails to comply with provision (A) above, or where the notifying party has reason to believe data covered by (B) above is no longer accurate and complete .

- 26. Conflict of Interest** - Each party, in performing its obligations under this Contract, shall establish and maintain appropriate business standards, procedures, and controls, including those necessary to avoid any real or apparent impropriety or adverse impact on the interests of the other party. Each party shall review with reasonable frequency during the term of this Contract such business standards and procedures including, without limitation, those related to the activities of its employees and agents in their relations with the other party's employees, agents, and representatives, and other third parties .

- 27. Audit** - Each party and its duly authorized representatives shall have the right to witness custody transfer measurement procedures. In addition, each party and its duly authorized representatives shall have access to the accounting records, laboratory test records, and other documents maintained by the other party or subcontractors which relate to any performance under this Contract, and shall have the right to audit at their own expense such records at any reasonable time or times during normal business hours during the term of this Contract or within three (3) years after the termination of this Contract. Each party shall preserve and shall cause all subcontractors to preserve all of the above referenced documents regarding each delivery for a period of at least three (3) years after such delivery is made under this Contract. Any costs (including but not limited to, employee time, office space/overhead, photocopying pulling records, etc.) incurred by the audited party during the audit shall be borne by the audited party.
- 28. Assignment** - Neither party shall assign this Contract without the prior written consent of the other.

In addition to the above paragraphs (1-28), the following paragraphs (29-33) are applicable to Natural Gas Liquid agreements only:

- 29. Odorization** – Unless otherwise provided, Seller shall odorize all shipments of NGL's in accordance with the standard industry practice and where applicable, as required by governmental agencies having proper jurisdiction. Unless otherwise provided, no load of NGL's delivered to Buyer or its designee shall leave the processing plant, refinery, fractionator or terminal unodorized. Seller shall have no further responsibility to monitor the NGL's or take any other action after delivery thereof to Buyer to ensure that said NGL's remain properly odorized after delivery to Buyer. Buyer will either monitor and maintain the odorant at or above proper levels as required by law or notify its buyer(s) of the odorant fade risk. If unodorized NGL's are to be delivered hereunder, then Buyer will not use such NGL's for fuel or knowingly resell it for fuel without adding an odorizing agent in accordance with standard industry practice or as required by governmental agencies having proper jurisdiction.
- 30. Quality** - The product corrected to sixty (60) degrees Fahrenheit delivered hereunder shall conform to the specifications now prescribed, or later adopted or revised, for said product by the Gas Processors Association (GPA Publication 2140, as revised) unless otherwise indicated in the Special Provisions.
- 31. Storage** - If, as a result of the Buyer's failure to take delivery according to schedule, the storage herein provided is exceeded, the Seller shall not be obligated to change the operation of its plant but shall have the right to dispose of the product by sale to third parties, with the sold barrels being deemed delivered under the Contract and Buyer being credited with the net proceeds of the sale less 8% to cover marketing fees unless otherwise agreed.
- 32. Demurrage and Detention On Tank Cars** - Demurrage charges shall be charged as per the applicable railroad tariff and will only be applicable if actually charged by the railroad. Buyer shall be responsible for demurrage charges as indicated in the Agreement or, if not so indicated, any demurrage charges sustained or paid by Seller resulting from when the tank railcars are constructively placed or actually placed, whichever is first, at the disposal of Buyer at the delivery point shall be for the account of the Buyer.

For the purpose of detention, time shall start five days following the arrival of the tank railcars at the terminal. Buyer shall be responsible for detention charges as indicated in the Agreement or, if not so indicated, Buyer shall be responsible for and shall pay Seller \$100 per day per tank railcar.

- 33. Confidentiality** - This Contract is confidential. Neither Party shall disclose the terms of this Contract to any person except as may be required pursuant to applicable law.

**-- END OF GENERAL TERMS --**