



2023 Edition

General Terms and Conditions

For Petroleum Product Purchases and Sales

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PART I: GENERAL AND DEFINITIONS

ARTICLE 1. GENERAL

Section 1.1. Applicability.

These General Terms apply to the Special Provisions between Seller and Buyer to which these General Terms are attached or incorporated by reference.

Section 1.2. Agreement Formation.

The Parties are deemed to have entered into a Transaction, and a Transaction becomes effective and binding, upon the Trade Date.

Section 1.3. Priority of Terms.

If there is a conflict between the Special Provisions and these General Terms or between the Special Provisions and the Product Addendum (if applicable), the Special Provisions govern except with respect to Section 11.2 of these General Terms. If there is a conflict between the Product Addendum (if applicable) and these General Terms, the Product Addendum governs.

Section 1.4. Use of Incoterms®.

Whenever the terms EXW, FCA, CPT, CIP, DAP, DPU, DDP, FAS, FOB, CFR, or CIF are used in these General Terms or the Special Provisions, they have the meanings given to them in Incoterms® 2020, subject to any modifications contained elsewhere in the Agreement. Whenever the term DES is used in these General Terms or the Special Provisions, it has the meaning given to it in Incoterms® 2000, subject to any modifications contained elsewhere in the Agreement. Whenever the term DAT is used in these General Terms or the Special Provisions, it has the meaning given to it in Incoterms® 2010, subject to any modifications contained elsewhere in the Agreement.

In the event of any conflict between any Incoterms® referenced in the Agreement and the other terms of the Agreement, the other terms of the Agreement govern.

Section 1.5. Rules of Construction.

The following rules of construction govern the interpretation of the Agreement, except where the context clearly requires otherwise: a) references to “**days**,” “**months**,” and “**years**” mean calendar days, months, and years unless otherwise indicated; b) the words “**including**,” “**includes**,” and any derivations of such words do not limit the preceding word or phrase; c) any reference in these General Terms to a “**Part**,” “**Article**,” “**Section**,” or “**clause**” are to the corresponding Part, Article, Section, or clause of these General Terms, unless the context requires otherwise; d) any reference to a particular Applicable Law (including conventions), standard, manual, form, or contract will be construed to refer to such Applicable Law, standard, form, or contract as the same may be amended, supplemented, restated, or superseded; e) any reference to a particular Governmental Authority will be construed to refer to any successor Governmental

Authority; f) Part, Article, Section, and Clause headings are for convenience of reference only and do not affect interpretation; g) the words “**hereof**,” “**herein**,” and “**hereunder**” and words of similar meaning refer to the Agreement as a whole and not to any particular provision of the Agreement; h) the word “**shall**” means “has a duty to”, the words “**must**” and “**will**” mean “is required to” (or word(s) of similar import) unless the context clearly requires otherwise, and each of the foregoing is to be interpreted as mandatory and not permissive; i) no rule of construction interpreting the Agreement against the drafter will apply; j) words in the singular include the plural and vice versa; k) words denoting gender include all genders; and l) risk of loss includes risk of damage and/or contamination and/or deterioration.

ARTICLE 2. DEFINITIONS

In addition to terms defined elsewhere in the Agreement, the following terms have the meanings specified below when capitalized throughout the Agreement:

“**Affiliate**” means any entity that, directly or indirectly, controls, is controlled by, or is under common control with the referenced entity, including the referenced entity’s parent. In this definition, “control” means the power to direct the management and policies of an entity, directly or indirectly, whether through the ownership of voting securities, by contract, or otherwise.

“**Agreement**” means and includes the following documents in connection with each separate sale/purchase/exchange entered into by and between Buyer and Seller: a) the Special Provisions, b) these General Terms, and c) the Product Addendum if applicable, and any schedules, exhibits, addendums, or other documents attached or incorporated by reference into any of the foregoing.

“**All Fast**” means the time at which the Vessel is completely moored, which includes gangway down and secured (for all Vessels other than Inland Barges), at the Shore Facilities. For Inland Barges, “All Fast” means the time at which such Barge (or in the case of multiple Barges, when the first Barge in the string/flotilla) is completely moored.

“**Anti-Bribery Laws**” has the meaning specified in Section 23.2 of these General Terms.

“**API**” means American Petroleum Institute.

“**API-MPMS**” means American Petroleum Institute Manual of Petroleum Measurement Standards.

“**Applicable Certificate**” means a valid COC or COI, as applicable, or such other similar certification required by any foreign Governmental Authority.

“**Applicable Law**” means any applicable statute, law, regulation, ordinance, rule, judgment, rule of law, policy, procedure, order, decree (including any consent decree), permit, approval, license, requirement, or other governmental restriction or any similar form of decision of, or any provision or condition of, any permit, license, or other operating authorization issued under any of the foregoing by, or any determination by, any Governmental Authority having or asserting jurisdiction over the matter or matters in question, whether now or hereafter (unless otherwise specifically limited herein to those only in effect on the date of the Agreement) in effect and in each case as amended (including all of the terms and provisions of the common law of such Governmental Authority), as interpreted and enforced at the time in question.

“**Asdem Pumping Performance Formula**” means the formula maintained by Asdem and used to assess underperformance by a tanker’s pumps during discharge of cargo. The formula can be found on Asdem’s website at: <http://www.asdem.co.uk/> or as otherwise modified or changed from time to time.

“**Assigned RINs**” has the meaning specified in Article 30 of these General Terms.

“**ASTM**” means ASTM International, formerly known as the American Society for Testing and Materials.

“**ATB**” means articulated tug barge unit.

“**BARG**” means pressure, in units of bars, above or below atmospheric pressure.

“**Barrel**” and “**BBL**” means forty-two (42) Gallons stated at Reference Conditions.

“**Bill of Lading Date**”, as used in the Special Provisions, means the date of completion of loading for the particular shipment in question as designated on the SOF as “stop pump”.

“**Business Day**” means a day on which banks are open for general commercial business in New York, New York.

“**Buyer**” means the Party identified as the buyer (or purchaser) of the Product in the Special Provisions. For Product exchanges, whichever Party is receiving delivery of the Product will be the “Buyer” for that portion of the exchange and will be the “Seller” with respect to the Product such Party is delivering in exchange.

“**California LCFS Program**” means, if and as applicable to the Agreement, the regulations, orders, decrees and standards issued by the Governmental Authority implementing or otherwise applicable to the California Low Carbon Fuel Standard as set forth in 17 CCR § 95480 et seq.

“**CARB**” means California Reformulated Gasoline Blendstock.

“**CARBOB**” means California Reformulated Gasoline Blendstock for Oxygenate Blending.

“**Cargo**” means any Product being sold, purchased, or exchanged by and between Buyer and Seller and delivered by Vessel under the Agreement.

“**Cargo Quantity**” means the volume or quantity of the Cargo that is either loaded or discharged at the Delivery Port.

“**C.F.R.**” means the US Code of Federal Regulations.

“**Charterer**” means the Person or entity hiring the performing Vessel.

“**Class Society**” means a classification society which is a member of the International Association of Classification Societies.

“**CLC**” means Civil Liability Convention of 1969.

“**COC**” means a Certificate of Compliance issued by the USCG.

“**COI**” means a Certificate of Inspection issued by the USCG.

“**CP**” means charter party for the performing Vessel.

“**Credit Support Provider**” means a Guarantor or other Person providing credit support for such Party under the Agreement.

“**Customary Anchorage**” means a recognized anchorage or waiting place, or as near thereto as is safely practicable under the circumstances, within or near the Delivery Port set out in the Special Provisions.

“**Deficient RINs**” has the meaning specified in Article 30 of these General Terms.

“**Delivery Port**” means the Load Port in the case of EXW, FOB, CPT, CIP, CFR, and CIF marine movements, or the Discharge Port in the case of DES, DAT, DAP, DPU, and DDP marine movements, where the Product to be delivered hereunder is or will be delivered from Seller to Buyer.

“**Delivery Window**” means the period of time during which the Vessel nominated by or on behalf of Vessel Party under the Agreement is to present itself at the Delivery Port, as established by the Special Provisions, and is within the contract delivery date range set forth in the Agreement.

“**Demurrage**” means the period of time from the expiration of laytime until completion of cargo operations at a particular port, excepting any periods specifically excluded from time on Demurrage set forth in the Agreement.

“**DHS**” means the US Department of Homeland Security.

“**Discharge Port**” means the marine port, Terminal, or other discharging facility (including the berth, dock, submarine line, single point or single berth mooring facility, offshore location, alongside Vessels or lighters or any other discharging place) at which the Product is intended to be discharged as specified in the Special Provisions or is actually discharged from the Vessel.

“**DOS**” means a Declaration of Security as provided for under the ISPS Code.

“**Drawback**” means a right under Applicable Law to receive a refund, reduction or waiver, in whole or in part, of any customs duties or similar Taxes assessed upon importation.

“**D&A Policy**” means any applicable drug and alcohol abuse policy.

“**EI**” means Electronic Export Information.

“**EI**” means Energy Institute.

“**EMCS**” has the meaning set forth in Section 12.5 of these General Terms.

“**EMTS**” means the EPA Moderated Transaction System, and any replacement or successor system designated by the EPA.

“**EPA**” means the US Environmental Protection Agency.

“**Estimated Price**” has the meaning specified in Section 9.3 of these General Terms.

“**ETA**” means estimated time of arrival of the Vessel at the Load Port or Discharge Port.

“**EU**” means the European Union.

“**Event of Default**” has the meaning specified in Section 18.1 of these General Terms.

“**Fees**” mean all Taxes, duties, charges, fees, impositions, assessments, and/or any similar action, process, method, or structure of a monetary nature, by whatever name called, and all increases thereon, now or hereafter imposed, directly or indirectly, on, against, in respect of, or measured by (i) the Product; (ii) any material or component contained in, made into, used to make, or otherwise used for or in the manufacture or production of, the Product; (iii) any matter, element, attribute, or equivalent, or any combination or part thereof, of such Product or such material or component; (iv) any emissions arising or resulting from or related to any of the foregoing in clauses (i) through (iii) above, however generated or released, including from the use, or related to the origin or origination, thereof; or (v) the inspection, sale, purchase, storage, transportation, delivery, or other handling of such Product, materials, components, matter, elements, attributes, emissions, or any item similar to the foregoing.

“**Force Majeure**” has the meaning specified in Section 13.1 of these General Terms.

“**Foreign Cargo Slops**” means any non-US Cargo slops.

“**Forward Contract**” has the meaning specified in Article 19 of these General Terms.

“**Forward Contract Merchant**” has the meaning specified in Article 19 of these General Terms.

“**Gallon**” means a US gallon of 231 cubic inches stated at Reference Conditions.

“**General Terms**” means these General Terms and Conditions for Petroleum Product Purchases and Sales.

“**Governmental Authority**” means any federal, state, local, foreign government, international regulatory entity, any provincial, departmental or other political subdivision thereof, or any entity, body or authority exercising executive, legislative, judicial, regulatory, administrative or other governmental functions or any court, department, commission, board, bureau, agency, instrumentality or administrative body of any of the foregoing having authority over the Parties, the Vessel, the Load Port, the Discharge Port or the Cargo as applicable.

“**Guarantor**” means, with respect to a Party, another Person who has guaranteed one or more obligations of the Party under the Agreement.

“**HM Revenue & Customs**” means His Majesty’s Revenue and Customs department of the government of the UK.

“**IGS**” means inert gas system.

“**Immigration Rules**” means any crew or Vessel entry or clearance requirements imposed by any port called on by the Vessel, including the US, Mexico, UK, and EU.

“**Incoterms**®” means the trade terms published by the International Chamber of Commerce.

“**Independent Inspector**” means a duly licensed Person, appointed as mutually agreed by Seller and Buyer, who performs a quantity or quality determination with respect to the Product received or delivered hereunder.

“**Initiate**” means the submission of a sell transaction in EMTS by Seller or Buyer; provided, however, that a Seller is not deemed to have submitted any RINs where either Party cancels such transaction in EMTS before the other Party accepts it in EMTS.

“**Inland Barge**” means a USCG, American Bureau of Shipping, or other Class Society inspected and approved tank barge that is restricted to operations in the inland waterways of the US.

“**Interest Rate**” means an annual rate (based on a 360-day year) equal to the lesser of (i) two percent (2%) over the prime rate as published under “Money Rates” in the Wall Street Journal in effect at the close of the Business Day on which payment was due or (ii) the maximum rate permitted by Applicable Law.

“**IRS**” means the US Internal Revenue Service.

“**ISPS Code**” means the International Code for Security of Ships and Port Facilities, as set forth in Title 33, C.F.R. Chapter I (Subchapter H) and relevant amendments to Chapter XI-2 of the International Convention for the Safety of Life at Sea, 1974 (SOLAS).

“**LEAP**” means Leadership for Energy Automated Processing.

“**Low Carbon Fuel Requirements Program**” means a low carbon fuel program (e.g., the California LCFS Program) that includes and/or implements the applicable Low Carbon Fuel Requirements Regulation.

“**Low Carbon Fuel Requirements Regulation**” means the regulation, rule, order, decree, approval, requirement, or other governmental restriction or permission or any similar form of decision of, or any provision or condition of any pathway, permit, license or other operating authorization issued under any of the foregoing by, a Governmental Authority related to the reduction of carbon intensity in transportation fuels in effect and in each case as amended, modified, or restated from time to time (including all of the terms and provisions of the common law of such Governmental Authority), as interpreted and enforced at the time in question, or any similar Applicable Laws or environmental schemes.

“**Lightering Service Vessel**” or “**LSV**” means the Vessel which delivers Cargo between the Load Port or Discharge Port and the STBL.

“**Liquidating Party**” has the meaning specified in Article 19 of these General Terms.

“**Load Line Certification**” means the certification of a Vessel that meets the requirements of the International Maritime Organization’s International Convention on Load Lines.

“**Load Port**” means the marine port, Terminal, or other loading facility (including the berth, dock, anchorage, submarine line, single point or single berth mooring facility, offshore location, alongside Vessels or lighters

or any other loading place) at which the Product is intended to be loaded as specified in the Special Provisions or is actually loaded onto the Vessel.

“**Losses**” mean all claims, payments, charges, judgments, demands, suits, losses, expenses, costs (including costs of defense and/or settlement, attorneys’ fees, penalties and interest), damages, assessments, liens, fines, penalties (civil, contractual, governmental, or otherwise), causes of actions, and liability of every type and character without regard to amount.

“**LPG**” means liquefied petroleum gas.

“**Marine Incident**” means any breakdown that is expected to delay the Vessel in excess of twelve (12) hours, reportable environmental spill, personal injury of a crewmember, passenger or invitee, fire, grounding, allision, collision, security issue, vessel seizure, or any event that generates or is expected to generate significant media attention or governmental inquiry, and, in any case, any incident or event that requires reporting to the applicable Governmental Authority, but does not include delays during normal Vessel operations.

“**Maritime Security Regulations**” means, collectively, the ISPS Code and the MTSA, if and when such are applicable.

“**Measurement Tolerance**” means +/- one-eighth (1/8) of an inch measurement of all involved Vessel and shore tanks.

“**MTSA**” means the US Maritime Transportation Security Act of 2002, as codified under 46 US Code, Chapter 701.

“**NOR**” means proper and valid Notice of Readiness, as further set forth herein and specifically in Section 3.6, Section 4.7, and Section 5.7, as applicable, of these General Terms.

“**NSV**” means Net Standard Volume as defined by API-MPMS.

“**OFAC**” means the US Department of Treasury, Office of Foreign Assets Control.

“**OBQ**” means on board quantity.

“**Ocean Barge**” or “**Ocean-Going Barge**” means a USCG, American Bureau of Shipping, or other Class Society inspected and approved tank barge that has a Load Line Certification or other Class Society load line certification and is also certified to operate in offshore waters.

“**Ocean Tanker**” means any tank vessel, ship, tanker, or combination carrier that is certified to operate in offshore waters.

“**OCIMF**” means the Oil Companies International Marine Forum.

“**OPA**” means the (US) Oil Pollution Act of 1990.

“**P&I**” means Protection and Indemnity.

“**Parties**” means both Seller and Buyer and “**Party**” means either Seller or Buyer, as the context requires.

“**Person**” means an individual, corporation, limited liability company, partnership (general or limited), trust, business trust, unincorporated association, joint venture, joint-stock company, or any other entity of whatever nature.

“**PMU**” means portable measuring unit.

“**Position holder**” has the meaning specified in Section 12.7 of these General Terms.

“**Product**” means the refined petroleum product, crude oil, condensate, LPG, feedstock, chemical, ethanol, renewable fuel or other substance or material of any nature that is identified in the Special Provisions as being the subject of the sale, purchase, exchange or other transaction between the Parties.

“**Product Addendum**” means, if applicable, the specific Product addendum to these General Terms that is incorporated by reference into or attached to the Special Provisions.

“**Product Transfer Document**” means such document(s) as may be required pursuant to the RFS Program.

“**PSI**” means pounds per square inch.

“**PTO**” means product transfer order.

“**Qualified Replacement RIN**” means a valid RIN of the same D-Code (as that term is defined in the RFS Program) as specified in the Special Provisions and generated either in the same year specified in the relevant Special Provisions, or if RINs generated in the year specified in the Special Provisions are not reasonably available in the market or have expired, the then current compliance year.

“**RBOB**” means reformulated blendstock for oxygenate blending.

“**Reference Conditions**” mean the conditions of temperature and pressure in which measured volumes are to be corrected, as set forth in the Special Provisions and typically based on the location of the transaction. As an example, and for demonstrative purposes only, 60°F and 0 PSI for US based Product, 15°C and 0 BARG for Canada and/or UK based Product, and 20°C and 0 BARG for Mexico based Product).

“**Regulated Status**” has the meaning specified in Section 16.4 of these General Terms.

“**Renewable Fuel**” has the meaning set forth in the RFS Program.

“**Responsible Party**” has the meaning specified in §2701(32) of the OPA.

“**RFS Program**” means the Renewable Fuel Standard Program under the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007 and implementing regulations, including 40 C.F.R. Part 1090 Subpart M.

“**RIN**” means a Renewable Identification Number generated pursuant to the RFS Program.

“**RIN Transfer Date**” has the meaning specified in Article 28 of these General Terms.

“**Routed Export Transaction**” has the meaning specified in Section 12.12 of these General Terms.

“**Running Hour(s)**” means time credited to laytime or Demurrage, as applicable.

“**Running Sample**” means a Cargo sample collected for testing as defined by API-MPMS.

“**Sanctions Law**” means any Applicable Law of the US, UK, EU, any EU member state, the United Nations, Canada, Mexico, or Peru applicable to the Parties relating to trade sanctions, embargoes, foreign trade controls or restrictions, export controls, non-proliferation, anti-terrorism, or any similar subject matter.

“**Seller**” means the Party identified as the seller of the Product in the Special Provisions. For Product exchanges, whichever Party is making delivery of the Product will be the “Seller” for that portion of the exchange and will be the “Buyer” with respect to the Product such Party is receiving in exchange.

“**Ship to be Lightered**” or “**STBL**” means the Vessel whose Cargo is loaded or discharged via Lightering Service Vessel.

“**Shore Facilities**” means the facilities of any Delivery Port taking deliveries of the Cargo from, or making deliveries of the Cargo to, a Vessel. For the avoidance of doubt, “Shore Facilities” do not include divisions, departments, groups, or units that perform administrative, back office, or similar type support to such Shore Facilities, including any groups engaged in vetting.

“**SOF**” means statement of facts.

“**Special Provisions**” means any writing, including a written confirmation sent by facsimile, email, or by other mutually agreed means or other form of written agreement, setting forth the trade details of a particular Transaction and incorporates these General Terms, and if applicable a Product Addendum.

“**Spot (Voyage) Chartered Equipment**” means when the owner of the Vessel places the Vessel and its crew at the disposal of the Charterer for a single voyage, with such owner being responsible for the operation of the Vessel.

“**Taxes**” means all foreign, federal, state and local taxes, duties, fees and charges of every description, including all motor fuel, excise, gasoline, aviation fuel, special fuel, diesel, environmental, spill, gross earnings or gross receipts and sales and use taxes, however designated, paid or incurred with respect to the purchase, storage, exchange, use, manufacture, production, transportation, resale, importation, exportation or handling of the Product; provided, however, that “Taxes” do not include: i) any tax imposed on or measured by net profits, gross or net income, or gross receipts (excluding, for the avoidance of doubt, any transaction taxes such as sales, use, gross earnings or gross receipts or similar taxes that are based upon gross receipts, gross earnings or gross revenues received only from the sale of petroleum products, which are included in the definition of “Taxes”); ii) any tax measured by capital value or net worth, whether denominated as franchise taxes, doing business taxes, capital stock taxes or the like; iii) business license or franchise taxes or registration fees; or iv) any ad valorem or personal property taxes.

“**Term Chartered Equipment**” means when the owner of the Vessel charters or leases the Vessel and its crew to the Charterer for a stipulated period; provided, however, under any such charter or lease, the Charterer pays for the bunkers and port charges in addition to the charter hire.

“**Terminal**” means a refinery, terminal, transloading site, storage, or other similar type of delivery, discharge, or loading point.

“**Terminal Designating Party**” refers to the Party designating the Shore Facilities at which the Vessel will load and/or discharge under the terms of the Agreement. Depending upon the nature of the sale, Terminal Designating Party may be either Buyer or Seller.

“**Tow**” means any combination of tugs, push boats, and barges with the ability to function as a single unit, including ATBs.

“**Trade Date**” means the moment on a particular date when the Parties agree orally or otherwise upon the economic terms of a Transaction or, if an amended Transaction, when the Parties have agreed to amendment(s) to the Transaction.

“**Transaction**” means an agreement to sell, purchase, or exchange Product between the Parties.

“**Typicals**” means a quality or characteristic attributed to Product from a particular source, without representation or warranty that any particular cargo or delivery of Product from such source will have that same quality or characteristic.

“**UK**” means the United Kingdom of Great Britain and Northern Ireland.

“**United States Principal Party in Interest**” has the meaning set forth in the US Foreign Trade Regulations, Part 30 of Title 15 of the C.F.R.

“**US**” means the United States of America.

“**USC**” means the United States Code.

“**USCG**” means the US Coast Guard.

“**USCBP**” means the US Customs and Border Protection agency.

“**USMCA**” means the United States–Mexico–Canada Agreement.

“**Valero**” means without limitation Valero Marketing and Supply Company or any of its Affiliates.

“**VAT**” means value added tax.

“**VEF**” means vessel experience factor as defined by API-MPMS.

“**Vessel**” means any tug, Tow, Inland Barge, Ocean-Going Barge, Ocean Tanker, or other marine vessel carrying the Cargo under the Agreement. References herein to “Vessel(s) Account” and responsibilities, duties, rights and liabilities of the “Vessel” are intended to include not only the Vessel itself, but also the owner, operator, manager, charterer, master, or agent of such Vessel, where applicable.

“**Vessel Party**” means the Party nominating and providing or otherwise making the arrangements for the Vessel that will carry the Cargo under the terms of the Agreement. Depending upon the nature of the sale, Vessel Party may be either Buyer or Seller.

“**Worldscale**” means the tanker nominal freight scale applying to the carriage of oil in bulk as promulgated by Worldscale Association (London) Limited or Worldscale Association (NYC) Inc. (as applicable) or any successor thereto, in effect as of the date of the Agreement.



NO SMOKING

SAFETY FIRST

98% HIGH LEVEL ALARM
98% TANK OVERFILL ALARM

NO SMOKING
98% HIGH LEVEL ALARM

1100
1100

PART II: TERMS APPLICABLE TO CERTAIN DELIVERIES

ARTICLE 3. FOB DELIVERIES – VESSEL

Section 3.1. Delivery.

The Product will be delivered from Seller to Buyer FOB at the Delivery Port onto Vessel(s) provided or procured by Buyer.

Section 3.2. Title and Risk of Loss.

Title to and risk of loss of the Product will pass from Seller to Buyer as the Product passes the first permanent hose connection of the Vessel at the Delivery Port.

Section 3.3. Measurement of Quality and Quantity, Location, Sampling, Independent Inspection.

a) Quantity.

- i) The quantity of the Product must be determined by an Independent Inspector and in accordance with the latest established API/ASTM standards for the method of delivery. Unless otherwise specified elsewhere in the Agreement, all volumes must be corrected to the Reference Conditions in accordance with the latest supplement or amendment to API-MPMS ASTM D-1250. Metering systems must conform to the API/ASTM standards then in effect relative to meter calibration/accuracy. The Party responsible for the meters and associated temperature probes used for measurement under the Agreement shall ensure that such meters and temperature probes are calibrated and proved according to applicable API/ASTM standards, but in any event, not less frequently than once every calendar quarter. If the other Party has reasonable cause, it will have the right to independently certify, at its own expense, the calibration of such meters and temperature probes.
- ii) In order of preference and performed by the Independent Inspector, the official quantity will be determined by:
 - A) Meters. Meters that have been installed, proven, certified, and operated in accordance with the most currently published applicable API or EI standards. The meter owner shall provide proving and certification documents as requested.
 - B) Static Tank Gauges. If meters are not available or not installed, proven, and certified per API or EI standards, or not properly working, then the official quantity will be determined by static shore tank measurements, as determined by the Independent Inspector. If shore tanks are active, in unsuitable condition for custody transfer, or if any other condition exists that may affect the accuracy of measurements (including the following: tanks that have been stripped empty; liquid

- level in the bottom (critical) zone or floating-roof in the critical zone; tanks that have less than twelve inches (12”) of liquid level at gauge point; liquid levels below datum plate; excessive water, snow or product on the floating roof; non-perforated standpipe per API standards; tank leaning or bulging; solidified material; incrustation; or other unsuitable conditions), then Vessel measurements will prevail as the official quantity as outlined below.
- C) Vessel. The Vessel volume with applicable VEF will apply. An applicable load VEF will apply when a Vessel receives the Cargo and an applicable discharge VEF will apply when a Vessel delivers the Cargo. If the primary method for the calculation does not produce a valid VEF, then an alternate method must be used.
- iii) Lightering. If Product transfer occurs at lightering, the official quantity will be calculated using the LSV measurements (as measured alongside the first stationary berth) less the previous OBQ and adjusted for an applicable VEF. In the event the daughter Vessel does not have a VEF or a VEF cannot be determined, then the STBL measurement adjusted for an applicable VEF will apply.
- iv) Line Verification. Line verification must be performed in accordance with API-MPMS Chapter 17.6 and witnessed by the Independent Inspector. If the line displacement method is used, any volume variances less than the Measurement Tolerance will be deemed as an agreed upon measurement tolerance and will not be added back to the line verification volume. Any volume variances greater than the Measurement Tolerance will be added back to the line verification volume. If no line verification is performed, then the official volumes will revert to Vessel measurements as outlined in Section 3.3 a) ii) C) above. For any location where the shore pipelines are blown or stripped, the following procedures must be followed to determine the official volume: i) open the custody approved tank and gauge, temperature test, and water cut such tank and pull samples therefrom according to the applicable API procedures; ii) perform a shore to/from Vessel line displacement in accordance with API-MPMS Chapter 17.6; iii) gauge and temperature test the custody approved tank according to applicable API procedures; vi) perform a second shore to/from Vessel line displacement and a second gauge and temperature test of the custody approved tank, each in accordance with the applicable procedures in clauses ii) and iii) above; and v) gauge and temperature test the shore tank and water cut and pull samples therefrom upon completion of the custody movement but before the shore pipeline is blown or stripped. Upon completion of the foregoing, the custody movement shall be deemed complete and any subsequent line clearing will not be included in the official volume. The volume reflected by the custody tank measurements along with the line displacement's difference added or subtracted will be the official volume used for the custody transfer.
- b) Quality. The quality of the Product must be determined by the Independent Inspector and in accordance with the latest established API/ASTM standards for the method of delivery. If available, the quality of Product must be determined by an automatic, volumetric in-line sampler that has been certified and proven for the applicable Product per API standards. If an in-line sampler is not available or has not been certified and proven, quality must be determined by a volumetric composite sample of each Vessel tank before discharge (for cargo discharges) or a volumetric composite of each static shore tank before loading (for cargo loadings) will be used to test for official quality. For lightering, a

volumetric composite of the LSV taken at the time of quantity measurement or alongside a stationary dock must be used for the official quality. For both marine deliveries and lightering, split samples must be collected by the Independent Inspector such that Buyer, Seller, and Independent Inspector receive an approximately equivalent portion of the composite sample(s) collected.

- c) Location of Measurements. Quantity and quality must be measured at the Delivery Port.
- d) Independent Inspector.
 - i) All fees and other charges of the Independent Inspector must be shared equally by the Parties. The Parties shall instruct the Independent Inspector to obtain and retain appropriate samples of the Product for a period of ninety (90) days from the date of measurement.
 - ii) Each Party has the right to have a representative present at the time of loading, discharge, gauging, and/or measurement of Product purchased or sold under the Agreement. Such representative must comply with any applicable dock, Terminal, and/or pipeline facilities' safety procedures or requirements.
 - iii) Regardless of whether either Party elects to have a representative present to observe loading, discharge, gauging, and/or measurement, the Independent Inspector's certificates of quantity and quality will be binding upon the Parties, absent fraud or manifest error.

Section 3.4. Vessel Nomination, Acceptance, and Rejection.

- a) All Vessels nominated by Vessel Party, and each Vessel to be used in connection with the loading, discharging, or lightering of the Cargo under the Agreement must meet all applicable Vessel requirements set forth in the Agreement and of the designated Shore Facilities, including i) safety instructions and mooring equipment requirements; ii) restrictions with respect to the Vessel, including maximum draft, air draft, length, deadweight, displacement, age, flag, and Sanctions Law status; iii) restrictions with respect to Vessel operations, such as bunkering or receiving provisions, stores, or equipment; iv) ETA requirements at certain Shore Facilities in Mexico, if applicable; and v) Appendix A to these General Terms. Vessel Party shall be responsible for compliance with the foregoing and all delays and attendant costs relating to a failure to comply with the foregoing in this paragraph are for Vessel Party's account. If the Vessel does not comply with the requirements of the designated Shore Facility (including the size and fit of the Vessel), then such Shore Facility may reject, expel, or refuse to berth, load, or discharge the Vessel, in which case all attendant delays, damages, and expenses are for Vessel Party's account. It is the sole responsibility and duty of the Vessel and/or Vessel Party to contact the designated Shore Facilities to obtain all requirements related to berthing or docking at such facilities (including the size and fit of the Vessel) and to comply with such requirements. At the request of the designated Shore Facilities or Terminal Designating Party, the nominated Vessel must promptly complete a vessel questionnaire provided by such Shore Facilities or such Terminal Designating Party, and advise concerning: the grade and approximate quantity of Product to be discharged; ETA of the Vessel at the Discharge Port; destination of the Vessel prior to its arrival at the Discharge Port; full written instructions regarding the particulars and destination of the bills of lading and such other

customary discharge Terminal documentation which may be required; and full details of any Cargo on board or to be discharged if discharging a partial Cargo. Acceptance of any Vessel by such Shore Facilities does not constitute a continuing acceptance of such Vessel for any subsequent loading, discharging, or lightering. Unless otherwise agreed to by the Parties, all deliveries and loadings of the Cargo in accordance with the terms and conditions of the Agreement will only involve a single voyage.

- b) Once a nominated Vessel is accepted by the designated Shore Facilities to receive or deliver the Cargo, the use of any other Vessel(s), including lighters, carrying the Cargo under the Agreement will only be permitted by prior, written mutual agreement, and all expense, risk of loss, and/or liability associated with such activity or activities are for Vessel Party's account. Any written permission or consent of or by such Shore Facilities allowing the use of such other Vessel(s) will not be unreasonably withheld, delayed, or conditioned.
- c) Notwithstanding anything to the contrary expressed or implied elsewhere herein, Terminal Designating Party has the right:
 - i) to reject any nomination made on any reasonable ground; and/or
 - ii) to refuse to accept for loading, on any reasonable ground, any Vessel nominated; and/or
 - iii) to reject the Vessel in question, notwithstanding any prior acceptance of such Vessel (whether named in the Special Provisions or nominated or substituted), on any reasonable ground if such Vessel is involved in any Marine Incident or casualty, such Vessel suffers a breakdown en route that results in a delay in the Vessel's scheduled arrival beyond the Delivery Window, such Vessel suffers a breakdown en route that results in the failure of a material Vessel component, system, or equipment (regardless of whether a delay occurs), such Vessel fails to comply with the requirements of Section 1.2 in Appendix A to these General Terms, or more recent information regarding such Vessel becomes available to Seller that indicates that the information relied upon by Terminal Designating Party in previously accepting the Vessel was materially incorrect or incomplete.

Without derogating from any other reasonable grounds that may be available to Terminal Designating Party, it will be a reasonable ground for Terminal Designating Party to reject or refuse a Vessel pursuant to this Section if the Vessel, either at the time of nomination or at any time subsequently, is not approved, or is determined to be unacceptable, by any vessel vetting system operated by or vetting policy adhered to by Terminal Designating Party, the designated Shore Facilities, or one of the oil majors.

- d) If a Vessel is rejected by Valero or the designated Shore Facilities receiving or delivering the Cargo, Vessel Party must nominate a suitable substitute Vessel within twenty-four (24) hours of such rejection for acceptance by Valero and such Shore Facilities. If Vessel Party fails to nominate a suitable substitute Vessel, then Valero has the right to terminate the Agreement for cause.

- e) In the event a rejection, delay, or other restriction of a Vessel occurs as a result of any action or inaction pursuant to this Section, or as a result of the application of any Applicable Laws, then: i) Valero will have no liability for the consequences of such rejection, delay, or restriction and any time consumed as a result thereof will not count as used Laytime or, if the Vessel is on Demurrage, as time on Demurrage; ii) Vessel Party shall be liable for all costs or damages incurred by Valero: 1) arising out of any such rejection, delay, or restriction; and/or 2) resulting from any delays in discharging Product hereunder due to any failure by Vessel Party to comply with the requirements of this Section in a timely manner; and iii) Vessel Party's obligations under the Agreement to nominate a suitable Vessel and to ensure that it tenders NOR at the Shore Facilities will be unaffected

Section 3.5. Estimated Time of Arrival.

- a) Upon acceptance of the Vessel nomination by Terminal Designating Party under the Agreement, either the Vessel or Vessel Party shall immediately advise the designated Shore Facilities and other Parties to the Agreement of the Vessel's current position/location in terms of latitude and longitude, operational status, and ETA, by email or any other means deemed necessary or appropriate under Applicable Law, including the Maritime Security Regulations. The ETA must be further promptly updated by email or other electronic means as follows:
 - i) upon leaving the last port, Terminal, or lightering site before sailing to the designated Shore Facilities or lightering site, or at least seven (7) days in advance of tendering NOR, whichever is more;
 - ii) at seventy-two (72), forty-eight (48), twenty-four (24), and twelve (12) hours before the Vessel's expected arrival at the designated Shore Facilities or lightering site specified in the Special Provisions; and
 - iii) the Vessel must promptly notify the designated Shore Facilities and Terminal Designating Party of the new ETA if the ETA changes by plus or minus two (2) hours or more following the twelve (12) hour arrival notice.
- b) Failure to comply with these ETA notifications may result in delays in the acceptance of the NOR by the designated Shore Facilities as outlined in Section 3.6 of these General Terms.
- c) For certain Shore Facilities in Mexico, the ETA requirement may be more stringent. Vessel Party is required to comply with such ETA requirements, failing which Vessel Party is liable for delay damages incurred by any Party to the Agreement as a result of the Shore Facility's refusal to allow the Vessel to berth.

Section 3.6. Notice of Readiness.

- a) If the Vessel is ordered to anchor, a NOR will only be considered valid from the time such Vessel is anchored at the Customary Anchorage and in accordance with the following in this Section.

- b) After the Vessel has arrived at the Customary Anchorage or other place of waiting as required by the designated Shore Facilities, and is in all respects ready to proceed to the berth to commence loading or discharging the Cargo in accordance with terms of the Agreement (including having an Applicable Certificate), the master, captain, master's agent, or barge representative shall promptly give such Shore Facilities and the other Parties hereto a NOR by email, any form of wireless radio or satellite communication available, or telephone. For Ocean Tankers, if a NOR is given verbally, confirmation in writing must be made within twelve (12) hours after such verbal notification is given. For voyages to or from the US, a NOR tendered before the Vessel holds a valid COC is ineffective and does not constitute Vessel readiness for loading or discharging the Cargo. Even if a valid COC exists, a NOR that is tendered before an annual COC examination is complete is ineffective unless the USCG grants the Vessel a waiver to commence loading or discharging the Cargo without delay.
- c) Any proper NOR submitted before the applicable Delivery Window will become effective as set forth in Section 3.7 of these General Terms.
- d) If NOR is tendered prior to meeting all of the above criteria in this Section, the date and effective time of the NOR will not be deemed properly tendered.
- e) Notwithstanding anything herein to the contrary, if a NOR is tendered prior to meeting all of the above criteria in this Section, such NOR will be automatically and retroactively deemed invalid and not properly tendered, the date and effective time of the NOR will be deemed ineffective, and a NOR must be tendered again, approved, and in compliance with this Section. Any delays as a result will not count as used laytime or as time on Demurrage against the designated Shore Facilities or Terminal Designating Party, and all direct costs, expenses, losses, and damages related thereto are for Vessel Party's account.

Section 3.7. Allowed and Used Laytime.

- a) Public-Dock Clause. Unless expressly stated otherwise in the Agreement, a public-dock clause does not apply. Where, however, a public-dock clause is included in the Agreement, then i) the docks listed in the LEAP Public Dock List at the time of the Agreement, ii) the docks included in Appendix C to these General Terms, and iii) the Delivery Port or other specified location where the Product is intended to be delivered, as set forth in the Special Provisions, or is actually discharged, whether at the time of entering into the Agreement or nominated thereafter, will be considered a public dock subject to such public-dock clause. If loading occurs at a public Terminal over which Seller has no control, Vessels are loaded on a first come first serve basis subject to dock availability and laytime commences only upon All Fast at the berth regardless of time of tendering NOR for loading or discharge.
- b) Cargo Sampling and Analysis.
 - i) If the quality of the Cargo is called into question (for example, quality is evaluated as not meeting the applicable specifications for the Cargo as stated in the Agreement) prior to delivery, any delays, including re-sampling and/or analysis, are for the account:

- A) of Seller, if the Cargo in question fails to meet the applicable specifications under the Agreement;
or
 - B) of Buyer, if the Cargo in question meets the applicable specifications under the Agreement.
 - ii) Any delay attributed to additional sampling and/or testing (other than to resolve a quality dispute as contemplated above) will be for the Party requesting same, and time will count as laytime or Demurrage, if on Demurrage.
 - iii) Any cost, expense, and delay attributed to sampling and/or testing, which are required as a result of any Applicable Law or Governmental Authority, including the EPA and/or the USCG, will be shared 50/50 between Vessel Party and Terminal Designating Party.
- c) Tows and Inland Barge(s).
- i) Laytime. For purposes of this Section 3.7 c) i), clauses A) through D) below, the term “arrives” or “arrival” means when the Tow for the Inland Barge nominated by Vessel Party has placed itself at the designated waiting area for the Delivery Port. The Tow will be considered to have arrived at the designated waiting area when it is at the customary berth, anchorage, or fleeting area (or if such fleeting area is not available, then the closest available fleeting area), and is in all respects ready to proceed to the berth to commence loading or discharging of the Cargo in accordance with the Agreement, including having an Applicable Certificate.
 - A) If the Tow arrives prior to the commencement of the applicable Delivery Window, laytime will commence at 0001 hours, local time, on the commencement date of such Delivery Window, or All Fast, whichever occurs first, unless otherwise specifically agreed and documented by the Parties in advance of docking at the designated Shore Facilities.
 - B) If the Tow arrives within the applicable Delivery Window, laytime will commence at All Fast.
 - C) If the Tow arrives after the end of the applicable Delivery Window, laytime will commence at All Fast.
 - D) Notwithstanding anything herein to the contrary, laytime will cease at the point in time when the hose is disconnected from the Tow.
 - ii) Allowed Laytime.
 - A) Inland Barge(s) with 24,999 BBLs or Fewer. Allowed laytime for any Inland Barges having or containing a Cargo Quantity of twenty-four thousand nine hundred ninety-nine (24,999) Barrels or fewer will be twelve (12) hours.
 - B) Inland Barge(s) with 25,000 BBLs or More. Allowed laytime for any Inland Barges having or containing a Cargo Quantity of twenty-five thousand (25,000) Barrels or more will be based on the applicable CP terms for such Inland Barge. In the absence of any such applicable CP terms, allowed laytime will be one (1) hour for each two thousand five hundred (2,500) Barrels loaded and/or one (1) hour for each two thousand five hundred (2,500) Barrels discharged. Three (3) hours of free time will be given at load and/or discharge. In no event will allowed laytime be less than twelve (12) hours, which includes three (3) hours of free time.

- C) Multiple Barges with Simultaneous Loading/Discharge. If more than one (1) barge is utilized, barges will be expected to load and/or discharge simultaneously in accordance with USCG requirements.
- 1) If the designated Shore Facilities require barges to berth individually, the shifting of the barges during operations, after the arrival at berth of the first barge until the last barge is released, is for Terminal Designating Party's account.
 - 2) If the Tow requires barges to berth individually, time consumed in shifting the barges will not count as used laytime or Demurrage, if on Demurrage.
 - 3) Time for shifting the barges when not attributable to either Party will be split 50/50 by the Parties.
- iii) Pumping Allowance Deduction. For the avoidance of doubt, no pumping allowance deduction is allowed for a Tow or Inland Barge if the loading or discharge rate is less than two thousand five hundred (2,500) Barrels per hour.
- d) Ocean-Going Barge(s).
- i) Laytime. For the purposes of this Section 3.7 d) i), clauses A) through D) below, the term "arrives" or "arrival" means when the applicable Ocean-Going Barge has placed itself at the Customary Anchorage and/or the closest available waiting area for the Delivery Port, and is in all respects ready to proceed to the berth to commence loading or discharging the Cargo.
 - A) If the Ocean-Going Barge arrives prior to the commencement of the applicable Delivery Window, laytime will commence at 0001 hours, local time, on the commencement date of such Delivery Window, or All Fast, whichever occurs first, unless otherwise specifically agreed and documented by the Parties in advance of docking at the designated Shore Facilities.
 - B) If the Ocean-Going Barge arrives within the applicable Delivery Window, laytime will commence upon such arrival.
 - C) If the Ocean-Going Barge arrives after the end of the applicable Delivery Window, laytime will commence at All Fast.
 - D) Notwithstanding anything herein to the contrary, laytime will cease at the point in time when the hose is disconnected from the Tow.
 - ii) Allowed Laytime.
 - A) Allowed laytime for any Ocean-Going Barge nominated under the Agreement will be one-half (1/2) of the allowed laytime under the CP terms, prorated for part Cargo (as provided below) with a minimum of fifteen (15) hours allowed. In the absence of such CP terms, laytime will be the number of hours as specified in the table below:

Cargo Quantity (NSV) in Barrels	Laytime in Hours
Up to 29,999	15
30,000 – 39,999	16
40,000 – 49,999	17
50,000 – 59,999	18
60,000 – 69,999	19
70,000 – 79,999	20
80,000 – 89,999	21
90,000 – 99,999	22
100,000 – 109,999	23
110,000 – 119,999	24
120,000 – 129,999	25
130,000 – 139,999	26
140,000 – 149,999	27
150,000 – 179,999	30
180,000 or more	36

- B) In the event of a partial load of Cargo under the Agreement, allowed laytime will be based on this Section 3.7 d) ii) and allocated pro rata by dividing the Cargo Quantity delivered to Buyer by the Vessel's full Cargo volume as determined by the bills of lading for the voyage. If the bills of lading are not available, the total NSV outturn volume must be used. In any case, the minimum allowed laytime for a partial delivery of the Cargo will never be less than twelve (12) hours.
- iii) Pumping Allowance Deduction. For the avoidance of doubt, no pumping allowance deduction is allowed for an Ocean-Going Barge.
- e) Ocean Tankers.
- i) Laytime.
- A) If the Ocean Tanker tenders NOR prior to the commencement of the applicable Delivery Window, laytime will commence at 0600 hours, local time, at the specified location on the commencement date of such Delivery Window or All Fast, whichever occurs first, unless otherwise specifically agreed and documented in advance of docking at the designated Shore Facilities.
- B) If the Ocean Tanker tenders NOR within the applicable Delivery Window, laytime will commence upon the expiration of six (6) hours after NOR is tendered or All Fast to the dock that is associated with the designated Shore Facilities, whichever occurs first.

- C) If the Ocean Tanker tenders NOR after the end of the applicable Delivery Window, laytime will commence at All Fast.
 - D) Notwithstanding anything herein to the contrary, laytime will cease at the point in time when the hose is disconnected from the Ocean Tanker.
- ii) Allowed Laytime.
- A) Allowed laytime for any Ocean Tanker nominated under the Agreement will be one-half (1/2) of the allowed laytime under the CP terms for the Vessel, but never less than thirty-six (36) Running Hours for either loading or discharging of a full Cargo.
 - B) Unless otherwise expressly stated in the Agreement, partial load laytime will not apply. In the event of a partial delivery of the Cargo under the Agreement, one-half (1/2) of the allowed laytime under the CP terms for the Ocean Tanker will be allocated pro rata by dividing the Cargo Quantity delivered to Buyer by the entire volume of Cargo loaded on the Ocean Tanker for the voyage as determined by the bill(s) of lading. If the bills of lading are not available, the total NSV outturn volume must be used. In any case, the minimum allowed laytime for a partial delivery of the Cargo will never be less than twelve (12) hours.
- iii) Load Segregation. If for any reason, other than a Terminal Designating Party does not have the capability to segregate multiple Products, the Ocean Tanker is required to load the Cargo separately at the same Terminal, Vessel Party shall be responsible for laytime or Demurrage, if on Demurrage.

Section 3.8. Used Laytime Exclusions (Excluding Lightering).

In addition to exclusions to laytime and time on Demurrage mentioned in this Article, the following will not count as used laytime or as time on Demurrage:

- a) Time during inward passage from anchorage, the designated waiting area, or other waiting place, even if lightering has taken place at the anchorage or other waiting place, until Vessel is All Fast.
- b) Delays in berthing due to waiting on pilots, tugs, tide, or daylight; provided, however, Terminal Designating Party will be permitted to exclude time waiting on tide or daylight only for the tide and/or daylight immediately preceding berthing.
- c) Any time consumed in the interruption of transfer operations of the Cargo due to the Vessel's requiring separate and/or additional shore tank gauges for any reason, the Vessel's failure to comply with any applicable published or posted requirement for the designated Shore Facilities, including safety and mooring requirements, or as a result of Vessel Party's request(s) for line fill checks by comparing intermediate ship and shore gauges.
- d) Any delay caused by strike, lockout, stoppage or restraint of labor of the master, officers, and crew of the Vessel or towboat, or pilot or subcontractor to Vessel Party.
- e) Cleaning of tanks and/or pumps, lining up and/or draining of pumps, ballasting and/or de-ballasting, bunkering, internal stripping, or for any other purpose of the Vessel, but in each case only to the extent

any of the preceding events prevent officers and crew of the Vessel from performing cargo operations (examples of cargo operations include tank gauging/tank inspection, cargo calculations, pre-cargo transfer meeting, and hose connection), or cargo contamination.

- f) Any delay caused by Vessel Party's failure to comply with all financial and/or credit responsibilities of the Agreement.
- g) Delay due to prohibition of any cargo transfer at any time by the Vessel, Vessel Party, or the owner of the Vessel.
- h) Any delay caused by Vessel's failure to have the required certificate of financial responsibility, or failure to be in compliance with applicable USCG regulations, including USCG COC exam or COI inspection (as applicable), or failure to have other legally required documentation.
- i) Any delay by reason of local law or regulations, action or inaction by local authorities (including port, USCG, naval, USCBP, immigration and/or health authorities, including effective one-way traffic restrictions due to the application of pilot guidelines or local regulations) with the exception of port closures due to strikes, weather, and/or sea conditions.
- j) Any delay for which the Vessel, the Vessel's master, or crew is responsible.
- k) Any delay caused by an actual or threatened pollution incident, bunker contamination, or other Marine Incident, regardless of cause.
- l) In the event of Force Majeure, in which case laytime, Demurrage and/or deviation will not accrue nor recommence, as the case may be, until such time as the Shore Facilities and/or Vessel are ready to undertake loading or discharging operations.
- m) Any delay that co-exists alongside a condition or with any other delay, in which case the delay resulting, arising out of, or related to the Vessel shall conclusively be deemed to be the sole cause of the delay regardless whether an act or omission caused the delay independently of the other conditions or could have caused the delay if the other conditions had not co-existed.

Notwithstanding the foregoing appearing to the contrary, the provisions of this Section do not apply to lightering, which is specifically addressed in Section 3.10 of these General Terms.

Section 3.9. Shared Delays (Excluding Lightering).

In addition to exclusions to laytime (or time on Demurrage if the Vessel is on Demurrage) mentioned in this Article, laytime (or time on Demurrage if Vessel is on Demurrage) will be reduced to one-half (1/2) for the following conditions:

- a) delays due to weather and/or sea conditions, including lightning, ice, fog, storm, wind, waves and/or swells;
- b) channel blockage (unrelated to berth congestion or traffic) and/or port closure associated with the designated Shore Facilities;
- c) breakdown or failure of equipment or machinery in, on, or about the designated Shore Facilities; and
- d) pre-transfer Cargo inspections, gauging, sampling, and other similar activities.

Notwithstanding the foregoing appearing to the contrary, the provisions of this Section do not apply to lightering, which is specifically addressed in Section 3.10 of these General Terms.

Section 3.10. Lightering.

- a) Lightering – Generally.
 - i) Any partial lightering or lightering to extinction, at sea or at a place outside a designated port, must be conducted in accordance with the latest OCIMF guidelines for ship-to-ship transfers and, if applicable, with port authority approval.
 - ii) Any LSV required by either Buyer or Seller will be subject to the prior written approval of the other Party.
 - iii) The Party requiring lightering is responsible for all expenses related to the lightering. Unless lightering is performed at Vessel's request or as a result of any fault that is attributable to the Vessel, any time used for lightering will count as used laytime or as time on Demurrage, if on Demurrage.
 - iv) The lightering point will not be considered a second discharge berth or port under the terms of the Agreement.
- b) Lightering - Laytime.
 - i) If the Vessel tenders NOR at the specific location prior to the commencement of the applicable Delivery Window, laytime will commence at 0001 hours, local time, at the specified location on the commencement date of such Delivery Window or All Fast alongside the LSV, whichever occurs first, unless otherwise specifically agreed and documented by the Parties in advance of docking.
 - ii) If the Vessel tenders NOR at the specified location within the applicable Delivery Window, laytime will commence upon tender of NOR.

- iii) If the Vessel tenders NOR at the specific location after the end of the applicable Delivery Window, laytime will commence at All Fast alongside the LSV.
 - iv) Laytime will cease when all applicable lightering equipment and fenders have been removed.
- c) Lightering – Allowed Laytime.
- i) The Vessel will be permitted thirty-six (36) Running Hours as allowed laytime for either loading or discharging a full Cargo.
 - ii) In the event of a partial delivery of the Cargo under the Agreement, one-half (1/2) of the allowed laytime will be allocated pro rata by dividing the Cargo Quantity delivered by the STBL's full Cargo volume which will be determined by reference to the bill of lading's quantities. If the bill of lading is not available, then the total NSV outturn volume must be used. In any case, the minimum allowed laytime for a partial delivery of Cargo will never be less than twelve (12) hours.
 - iii) Any delay during the lightering operation for which the Vessel is responsible will not count as used laytime or as time on Demurrage, if on Demurrage.

Section 3.11 Demurrage.

- a) Demurrage – Generally. A claim for Demurrage will be payable for each Running Hour and pro rata for each part of an hour that used laytime exceeds the allowed laytime.
- b) Rate Determination. Unless otherwise stated in the Special Provisions:
 - i) Spot Chartered Equipment. For Spot (Voyage) Chartered Equipment that is used in connection with the Agreement, the rate will be based on the rate specified in the Vessel's CP. For Demurrage purposes, all tugs, push boats, and/or barges operating as a unit will be considered collectively as a single Tow.
 - ii) Term Chartered or Owned Equipment. For Term Chartered Equipment or owned equipment that is used in connection with the Agreement, the rate will be as specified in the Vessel nomination or in the Agreement, but if no such rate is specified in the Vessel nomination then the rate will be the market rate assessment. For Ocean-Going Barges and Ocean Tankers, the rate will be determined by an average of the three (3) broker rate assessments of the market for a similar Vessel and voyage.

c) Demurrage Claims Processing.

- i) Demurrage claims arising at the designated Shore Facilities must be submitted in writing with all required supporting documentation listed in Section 3.11 d) of these General Terms and received by Terminal Designating Party within ninety (90) days from the date from when hoses are disconnected after loading or discharging of the Cargo is completed. When Valero is the Terminal Designating Party, claims will be sent by one of the following means:

1) Email: Demurrage@Valero.com.

2) Federal Express to:

Valero Marketing and Supply Company
Attention: Demurrage Department
One Valero Way
San Antonio, Texas 78249-1112

3) United States Postal Service to:

Valero Marketing and Supply Company
Attention: Demurrage Department
P.O. Box 696000
San Antonio, Texas 78269-6000

For the avoidance of doubt, when Valero is the Terminal Designating Party, a Demurrage claim sent to any address other than those set forth in this Section 3.11 c) i) will not be considered received for the purposes of this Section 3.11 c) i).

- ii) Claims received after 1200 hours local time will be deemed to have been received on the next Business Day. If the claim and all required supporting documentation listed in Section 3.11 d) of these General Terms are not provided within the specified time, the claim will be deemed to be waived for all purposes. If a dispute arises as to the receipt of the Demurrage claim within the ninety (90) day time deadline, written documentation of the receipt of the Demurrage claim in question will be required before the claim will be considered. When Valero is the Terminal Designating Party, the only acceptable written documentation of receipt is the e-mail confirmation received from Valero's Demurrage department confirming receipt of the Demurrage claim within the ninety (90) day time deadline.
- iii) Vessel Party must provide proof of payment of demurrage to recover any demurrage from Terminal Designating Party. The demurrage payable by Terminal Designating Party will not exceed the amount of demurrage actually paid by Vessel Party. Terminal Designating Party assumes no obligation to pay demurrage to Vessel interests. The demurrage obligations hereunder are independent of any demurrage obligations under the CP, except as otherwise provided herein.

- iv) Terminal Designating Party must notify Vessel Party of any objections to any Demurrage claim under the Agreement, with reasonable details of the grounds for the objections, within one hundred eighty (180) days after Terminal Designating Party's receipt of the claim. If Terminal Designating Party fails to notify Vessel Party of such objections within the one hundred and eighty (180) day period, then Terminal Designating Party will be deemed to have waived any objection to the claim and Terminal Designating Party shall be liable to pay the claim in the amount claimed without deduction or set off.
- d) Demurrage Documentation.
- i) Tows and Inland Barges. Claims must include laytime calculations, daily boat logs, and applicable documentation for the Demurrage rates set forth in Section 3.11 b) of these General Terms.
- ii) Ocean-Going Barges. Claims must include laytime calculation, copy of the Vessel's NOR, Vessel's SOF, any letters of protest, and if a claim is for discharge of Cargo then the Vessel pumping logs. Such claims must also be supported by documentation for the Demurrage rates set forth in Section 3.11 b) of these General Terms. Part Cargo calculations must be supported by bill(s) of lading, if available, or inspector reports reflecting NSV outturn volume.
- iii) Ocean Tankers. Claims must include laytime calculation, copy of the Vessel's NOR, agent's port log, Vessel's SOF, any letters of protest, and if a claim is for discharge of Cargo then the Vessel pumping logs. Such claims must also be supported by documentation for the Demurrage rates set forth in Section 3.11 b) of these General Terms. Part Cargo calculations must be supported by bill(s) of lading, if available, or inspector reports reflecting NSV outturn volume.
- e) Non-Demurrage Marine Claims. Claims for other maritime operations, including shifting, deviation, detention, bunker charges, port charges, or any other expense must be submitted in writing with supporting documentation within ninety (90) days from the date when hoses are disconnected after loading or discharging of the Cargo is completed. When Valero is the Terminal Designating Party, claims must be submitted to the operations email at VMSCClean@Valero.com or VMSCFeed@Valero.com and include the applicable Valero operations scheduler and Valero reference number. Claims received after 1200 hours local time will be deemed to have been received on the next Business Day. If the claim and all required supporting documentation are not provided within the specified time, the claim will be deemed to be waived for all purposes. If a dispute arises as to the receipt of the claim within the ninety (90) day time deadline, written documentation of the receipt of the claim in question will be required before the claim will be considered.

Section 3.12. Other Marine Related Conditions.

Appendix A attached to these General Terms is incorporated into this Article for all purposes as if fully set forth herein.

ARTICLE 4. CPT, CIP, CFR, AND CIF DELIVERIES – VESSEL

Section 4.1. Delivery.

The Product will be delivered from Seller to Buyer at the Delivery Port, and Seller shall contract or arrange a contract for carriage of the Product CPT, CIP, CFR, or CIF, as applicable, by Vessel from the Load Port to the Discharge Port. If the Agreement requires CIF or CIP Vessel delivery, Seller shall only be obligated to procure a negotiable insurance certificate for one hundred and ten percent (110%) of the purchase price of the Product.

Section 4.2. Title and Risk of Loss.

Title to and risk of loss of the Product will pass from Seller to Buyer as the Product passes the first permanent hose connection of the Vessel at the Load Port.

Section 4.3. Measurement of Quality and Quantity, Location, Sampling, Independent Inspection.

a) Quantity.

- i) The quantity of the Product must be determined by an Independent Inspector and in accordance with the latest established API/ASTM standards for the method of delivery. Unless otherwise specified elsewhere in the Agreement, all volumes must be corrected to the Reference Conditions in accordance with the latest supplement or amendment to API-MPMS ASTM D-1250. Metering systems must conform to the API/ASTM standards then in effect relative to meter calibration/accuracy. The Party responsible for the meters and associated temperature probes used for measurement under the Agreement shall ensure that such meters and temperature probes are calibrated and proved according to applicable API/ASTM standards, but in any event, not less frequently than once every calendar quarter. If the other Party has reasonable cause, it will have the right to independently certify, at its own expense, the calibration of such meters and temperature probes.
- ii) In order of preference and performed by the Independent Inspector, the official quantity will be determined by:
 - A) Meters. Meters that have been installed, proven, certified, and operated in accordance with the most currently published applicable API or EI standards. The meter owner shall provide proving and certification documents as requested.
 - B) Static Tank Gauges. If meters are not available or not installed, proven, and certified per API or EI standards, or not properly working, then the official quantity will be determined by static shore tank measurements, as determined by the Independent Inspector. If shore tanks are active, in unsuitable condition for custody transfer, or if any other condition exists that may affect the accuracy of measurements (including the following: tanks that have been stripped empty; liquid level in the bottom (critical) zone or floating-roof in the critical zone; tanks that have less than

- twelve inches (12”) of liquid level at gauge point; liquid levels below datum plate: excessive water, snow or product on the floating roof; non-perforated standpipe per API standards; tank leaning or bulging; solidified material; incrustation; or other unsuitable conditions), then Vessel measurements will prevail as the official quantity as outlined below.
- C) Vessel. The Vessel volume with applicable VEF will apply. An applicable load VEF will apply when a Vessel receives the Cargo and an applicable discharge VEF will apply when a Vessel delivers the Cargo. If the primary method for the calculation does not produce a valid VEF, then an alternate method must be used.
- iii) Lightering. If Product transfer occurs at lightering, the official quantity will be calculated using the LSV measurements (as measured alongside a stationary berth) less OBQ and adjusted for an applicable VEF. In the event the LSV does not have a VEF or a VEF cannot be determined, then the STBL measurement adjusted for an applicable VEF will apply.
- iv) Line Verification. Line verification must be performed in accordance with API-MPMS Chapter 17.6 and witnessed by the Independent Inspector. If the line displacement method is used, any volume variances less than the Measurement Tolerance will be deemed as an agreed upon measurement tolerance and will not be added back to the line verification volume. Any volume variances greater than the Measurement Tolerance will be added back to the line verification volume. If no line verification is performed, then the official volumes will revert to Vessel measurements as outlined in Section 4.3 a) ii) C) above. For any location where the shore pipelines are blown or stripped, the following procedures must be followed to determine the official volume: i) open the custody approved tank and gauge, temperature test, and water cut such tank and pull samples therefrom according to the applicable API procedures; ii) perform a shore to/from Vessel line displacement in accordance with API-MPMS Chapter 17.6; iii) gauge and temperature test the custody approved tank according to applicable API procedures; vi) perform a second shore to/from Vessel line displacement and a second gauge and temperature test of the custody approved tank, each in accordance with the applicable procedures in clauses ii) and iii) above; and v) gauge and temperature test the shore tank and water cut and pull samples therefrom upon completion of the custody movement but before the shore pipeline is blown or stripped. Upon completion of the foregoing, the custody movement shall be deemed complete and any subsequent line clearing will not be included in the official volume. The volume reflected by the custody tank measurements along with the line displacement’s difference added or subtracted will be the official volume used for the custody transfer.
- v) Part Cargo Lots. Where the Product sold is part of an unsegregated bulk cargo for delivery to Buyer and one or more other parties on a CIF or CFR basis, the quantity determined in accordance with the applicable provisions set forth above will be adjusted after all deliveries of the unsegregated bulk cargo have been completed in such a manner as to allocate to Buyer a percentage of the total Load Port quantity that is equal to Buyer’s percentage of total outturn quantity at all discharge ports. The independent inspectors’ reports from all discharge ports must be made available to Buyer and the other affected parties of any portion of the unsegregated bulk cargo.

- b) Quality. The quality of the Product must be determined by the Independent Inspector and in accordance with the latest established API/ASTM standards for the method of delivery. If available, the quality of Product must be determined by an automatic, volumetric in-line sampler that has been certified and proven for the applicable Product per API standards. If an in-line sampler is not available or has not been certified and proven, quality must be determined by a volumetric composite sample of each Vessel tank before discharge (for cargo discharges) or a volumetric composite of each static shore tank before loading (for cargo loadings) will be used to test for official quality. For lightering, a volumetric composite of the LSV taken at the time of quantity measurement or alongside a stationary dock must be used for the official quality. For both marine deliveries and lightering, split samples must be collected by the Independent Inspector such that Buyer, Seller and Independent Inspector receive an approximately equivalent portion of the composite sample(s) collected.

- c) Location of Measurements. Quantity and quality must be measured at the Delivery Port.

- d) Independent Inspector.
 - i) All fees and other charges of the Independent Inspector must be shared equally by the Parties. The Parties shall instruct the Independent Inspector to obtain and retain appropriate samples of the Product for a period of ninety (90) days from the date of measurement.

 - ii) Each Party has the right to have a representative present at the time of loading, discharge, gauging and/or measurement of Product purchased or sold under the Agreement. Such representative must comply with any applicable dock, Terminal, and/or pipeline facilities' safety procedures or requirements.

 - iii) Regardless of whether either Party elects to have a representative present to observe loading, discharge, gauging and/or measurement, the Independent Inspector's certificates of quantity and quality will be binding upon the Parties, absent fraud or manifest error.

Section 4.4. Vessel Nomination, Acceptance, and Rejection.

- a) All Vessels nominated by Vessel Party, and each Vessel to be used in connection with the loading, discharging, or lightering of the Cargo under the Agreement must meet all applicable Vessel requirements set forth in the Agreement and of the designated Shore Facilities, including i) safety instructions and mooring equipment requirements; ii) restrictions with respect to the Vessel, including maximum draft, air draft, length, deadweight, displacement, age, flag, and Sanctions Law status; and iii) restrictions with respect to Vessel operations, such as bunkering or receiving provisions, stores, or equipment; iv) ETA requirements at certain Shore Facilities in Mexico, if applicable; and v) Appendix A to these General Terms. Vessel Party shall be responsible for compliance with the foregoing and all delays and attendant costs relating to a failure to comply with the foregoing in this paragraph are for Vessel Party's account. If the Vessel does not comply with the requirements of the designated Shore Facility (including the size and fit of the Vessel), then such Shore Facility may reject, expel or refuse

to berth, load or discharge the Vessel, in which case all attendant delays, damages and expenses are for Vessel Party's account. It is the sole responsibility and duty of the Vessel and/or Vessel Party to contact the designated Shore Facilities to obtain all requirements related to berthing or docking at such facilities (including the size and fit of the Vessel) and to comply with such requirements. At the request of the designated Shore Facilities or Terminal Designating Party, the nominated Vessel must promptly complete a vessel questionnaire provided by such Shore Facilities or such Terminal Designating Party. Acceptance of any Vessel by such Shore Facilities does not constitute a continuing acceptance of such Vessel for any subsequent loading, discharging, or lightering. Unless otherwise agreed to by the Parties, all deliveries and loadings of the Cargo in accordance with the terms and conditions of the Agreement will only involve a single voyage.

- b) Once a nominated Vessel is accepted by the designated Shore Facilities to receive or deliver the Cargo, the use of any other Vessel(s), including lighters, carrying the Cargo under the Agreement will only be permitted by prior, written mutual agreement, and all expense, risk of loss, and/or liability associated with such activity or activities are for Vessel Party's account. Any written permission or consent of or by such Shore Facilities allowing the use of such other Vessel(s) will not be unreasonably withheld, delayed, or conditioned.
- c) Notwithstanding anything to the contrary expressed or implied elsewhere herein, Terminal Designating Party has the right:
 - i) to reject any nomination made on any reasonable ground; and/or
 - ii) to refuse to accept for loading, on any reasonable ground, any Vessel nominated; and/or
 - iii) to reject the Vessel in question, notwithstanding any prior acceptance of such Vessel (whether named in the Special Provisions or nominated or substituted), on any reasonable ground if such Vessel is involved in any Marine Incident or casualty, such Vessel suffers a breakdown en route that results in a delay in the Vessel's scheduled arrival beyond the Delivery Window, such Vessel suffers a breakdown en route that results in the failure of a material Vessel component, system, or equipment (regardless of whether a delay occurs), or such Vessel fails to comply with the requirements of Section 1.2 in Appendix A to these General Terms, or more recent information regarding such Vessel becomes available to Seller that indicates that the information relied upon by Terminal Designating Party in previously accepting the Vessel was materially incorrect or incomplete.

Without derogating from any other reasonable grounds that may be available to Terminal Designating Party, it will be a reasonable ground for Terminal Designating Party to reject or refuse a Vessel pursuant to this Section if the Vessel, either at the time of nomination or at any time subsequently, is not approved, or is determined to be unacceptable, by any vessel vetting system operated by or vetting policy adhered to by Seller, the designated Shore Facilities, or one of the oil majors.

- d) If a Vessel is rejected by Valero or the designated Shore Facilities receiving or delivering the Cargo, Vessel Party must nominate a suitable substitute Vessel within twenty-four (24) hours of such rejection for acceptance by Valero and such Shore Facilities. If Vessel Party fails to nominate a suitable substitute Vessel, then Valero has the right to terminate the Agreement for cause.
- e) In the event a rejection, delay, or other restriction of a Vessel occurs as a result of any action or inaction pursuant to this Section, or as a result of the application of any Applicable Laws, then: i) Valero will have no liability for the consequences of such rejection, delay, or restriction and any time consumed as a result thereof will not count as used Laytime or, if the Vessel is on Demurrage, as time on Demurrage; ii) Vessel Party shall be liable for all costs or damages incurred by Valero: 1) arising out of any such rejection, delay, or restriction; and/or 2) resulting from any delays in discharging Product hereunder due to any failure by Vessel Party to comply with the requirements of this Section in a timely manner; and iii) Vessel Party's obligations under the Agreement to nominate a suitable Vessel and to ensure that it tenders NOR at the Shore Facilities will be unaffected.

Section 4.5. Estimated Time of Arrival.

- a) Upon acceptance of the Vessel nomination by Terminal Designating Party under the Agreement, either the Vessel or Vessel Party shall immediately advise the designated Shore Facilities and other Parties to the Agreement of the Vessel's current position/location in terms of latitude and longitude, operational status, and ETA, by email or any other means deemed necessary or appropriate under Applicable Law, including the Maritime Security Regulations. The ETA must be further promptly updated by email or other electronic means as follows:
 - i) upon leaving the last port, Terminal, or lightering site before sailing to the designated Shore Facilities or lightering site, or at least seven (7) days in advance of tendering NOR, whichever is more;
 - ii) at seventy-two (72), forty-eight (48), twenty-four (24), and twelve (12) hours before the Vessel's expected arrival at the designated Shore Facilities or lightering site specified in the Special Provisions; and
 - iii) the Vessel must promptly notify the designated Shore Facilities and Terminal Designating Party of the new ETA if the ETA changes by plus or minus two (2) hours or more following the twelve (12) hour arrival notice.
- b) For certain Shore Facilities in Mexico, the ETA requirement may be more stringent. Vessel Party is required to comply with such ETA requirements, failing which Vessel Party is liable for delay damages incurred by any Party to the Agreement as a result of the Shore Facility's refusal to allow the Vessel to berth.

Section 4.6. Delivery Window.

Vessel Party shall provide a ten (10) day Delivery Window no later than thirty (30) days or as early as practicable prior to the commencement of the Delivery Window. Fifteen (15) days prior to the commencement of the Delivery Window, Terminal Designating Party shall narrow the Delivery Window to five (5) days, and five (5) days prior to the commencement of the Delivery Window, Vessel Party shall narrow the Delivery Window to three (3) days. If such Delivery Window is not provided or narrowed, the three (3) day Delivery Window will commence on the last three (3) days of any previously narrowed Delivery Window.

Section 4.7. Notice of Readiness.

- a) If the Vessel is ordered to anchor, a NOR will only be considered valid from the time such Vessel is anchored at the Customary Anchorage and in accordance with the following in this Section.
- b) After the Vessel has arrived at the Customary Anchorage or other place of waiting as required by the designated Shore Facilities, and is in all respects ready to proceed to the berth to commence loading or discharging the Cargo in accordance with terms of the Agreement (including having an Applicable Certificate), the master, captain, master's agent, or barge representative shall promptly give such Shore Facilities and the other Parties hereto a NOR by email, any form of wireless radio or satellite communication available, or telephone. For Ocean Tankers, if a NOR is given verbally, confirmation in writing must be made within twelve (12) hours after such verbal notification is given. For voyages to or from the US, a NOR tendered before the Vessel holds a valid COC is ineffective and does not constitute Vessel readiness for loading or discharging the Cargo. Even if a valid COC exists, a NOR that is tendered before an annual COC examination is complete is ineffective unless the USCG grants the Vessel a waiver to commence loading or discharging the Cargo without delay.
- c) Any proper NOR submitted before the applicable Delivery Window will become effective as set forth in Section 4.8 of these General Terms.
- d) If NOR is tendered prior to meeting all of the above criteria in this Section, the date and effective time of the NOR will not be deemed properly tendered.
- e) Notwithstanding anything herein to the contrary, if a NOR is tendered prior to meeting all of the above criteria in this Section, such NOR will be automatically and retroactively deemed invalid and not properly tendered, the date and effective time of the NOR will be deemed ineffective, and a NOR must be tendered again, approved, and in compliance with this Section. Any delays as a result will not count as used laytime or as time on Demurrage against the designated Shore Facilities or Terminal Designating Party, and all direct costs, expenses, losses, and damages related thereto are for Vessel Party's account.

Section 4.8. Allowed and Used Laytime.

- a) Public-Dock Clause. Unless expressly stated otherwise in the Agreement, a public-dock clause does not apply. Where, however, a public-dock clause is included in the Agreement, then i) the docks listed in the LEAP Public Dock List at the time of the Agreement, ii) the docks included in Appendix C to these General Terms, and iii) the Delivery Port or other specified location where the Product is intended to be delivered, as set forth in the Special Provisions, or is actually discharged, whether at the time of entering into the Agreement or nominated thereafter, will be considered a public dock subject to such public-dock clause. If loading occurs at a public Terminal over which Seller has no control, Vessels are loaded on a first come first serve basis subject to dock availability and laytime commences only upon All Fast at the berth regardless of time of tendering NOR for loading or discharge.
- b) Cargo Sampling and Analysis.
- i) If the quality of the Cargo is called into question (for example, quality is evaluated as not meeting the applicable specifications for the Cargo as stated in the Agreement) prior to delivery, any delays, including re-sampling and/or analysis, are for the account:
- A) of Seller, if the Cargo in question fails to meet the applicable specifications under the Agreement;
or
B) of Buyer, if the Cargo in question meets the applicable specifications under the Agreement.
- ii) Any delay attributed to additional sampling and/or testing (other than to resolve a quality dispute as contemplated above) will be for the Party requesting same, and time will count as laytime or Demurrage, if on Demurrage.
- iii) Any cost, expense, and delay attributed to sampling and/or testing, which are required as a result of any Applicable Law or Governmental Authority, including the EPA and/or the USCG, will be shared 50/50 between Vessel Party and Terminal Designating Party.
- c) Tows and Inland Barge(s).
- i) Laytime. For purposes of this Section 4.8 c) i), clauses A) through D) below, the term “arrives” or “arrival” means when the Tow for the Inland Barge nominated by Vessel Party has placed itself at the designated waiting area for the Delivery Port. The Tow will be considered to have arrived at the designated waiting area when it is at the customary berth, anchorage, or fleeting area (or if such fleeting area is not available, then the closest available fleeting area), and is in all respects ready to proceed to the berth to commence loading or discharging of the Cargo in accordance with the Agreement, including having an Applicable Certificate.
- A) If the Tow arrives prior to the commencement of the applicable Delivery Window, laytime will commence at 0001 hours, local time, on the commencement date of such Delivery Window, or All Fast, whichever occurs first, unless otherwise specifically agreed and documented by the Parties in advance of docking at the designated Shore Facilities.

- B) If the Tow arrives within the applicable Delivery Window, laytime will commence upon such arrival.
 - C) If the Tow arrives after the end of the applicable Delivery Window, laytime will commence at All Fast.
 - D) Notwithstanding anything herein to the contrary, laytime will cease at the point in time when the hose is disconnected from the Inland Barge.
- ii) Allowed Laytime.
- A) Inland Barge(s) with 24,999 BBLs or Fewer. Allowed laytime for any Inland Barges having or containing a Cargo Quantity of twenty-four thousand nine hundred ninety-nine (24,999) Barrels or fewer will be twelve (12) hours.
 - B) Inland Barge(s) with 25,000 BBLs or More. Allowed laytime for any Inland Barges having or containing a Cargo Quantity of twenty-five thousand (25,000) Barrels or more will be based on the applicable CP terms for such Inland Barge. In the absence of any such applicable CP terms, allowed laytime will be one (1) hour for each two thousand five hundred (2,500) Barrels loaded and/or one (1) hour for each two thousand five hundred (2,500) Barrels discharged. Three (3) hours of free time will be given at load and/or discharge. In no event will allowed laytime be less than twelve (12) hours, which includes three (3) hours of free time.
 - C) Multiple Barges with Simultaneous Loading/Discharge. If more than one (1) barge is utilized, barges will be expected to load and/or discharge simultaneously in accordance with USCG requirements.
 - 1) If the designated Shore Facilities require barges to berth individually, the shifting of the barges during operations, after the arrival at berth of the first barge until the last barge is released, is for Terminal Designating Party's account.
 - 2) If the Tow requires barges to berth individually, time consumed in shifting the barges will not count as used laytime or Demurrage, if on Demurrage.
 - 3) Time for shifting the barges when not attributable to either Party will be split 50/50 by the Parties.
- iii) Pumping Allowance Deduction. For the avoidance of doubt, no pumping allowance deduction is allowed for a Tow or Inland Barge if the loading or discharge rate is less than two thousand five hundred (2,500) Barrels per hour.
- d) Ocean-Going Barge(s).
- i) Laytime. For the purposes of this Section 4.8 d) i), clauses A) through D) below, the term "arrives" or "arrival" means when the applicable Ocean-Going Barge has placed itself at the Customary Anchorage and/or the closest available waiting area for the Delivery Port, and is in all respects ready to proceed to the berth to commence loading or discharging the Cargo.

- A) If the Ocean-Going Barge arrives prior to the commencement of the applicable Delivery Window, laytime will commence at 0001 hours, local time, on the commencement date of such Delivery Window, or All Fast, whichever occurs first, unless otherwise specifically agreed and documented by the Parties in advance of docking at the designated Shore Facilities.
 - B) If the Ocean-Going Barge arrives within the applicable Delivery Window, laytime will commence upon such arrival.
 - C) If the Ocean-Going Barge arrives after the end of the applicable Delivery Window, laytime will commence at All Fast.
 - D) Notwithstanding anything herein to the contrary, laytime will cease at the point in time when the hose is disconnected from the Ocean-Going Barge.
- ii) Allowed Laytime.
- A) Allowed laytime for any Ocean-Going Barge nominated under the Agreement will be one-half (1/2) of the allowed laytime under the CP terms for the Vessel, prorated for part Cargo (as provided below) with a minimum of fifteen (15) hours allowed. In the absence of such CP terms, laytime will be the number of hours as specified in the table below:

Cargo Quantity (NSV) in Barrels	Laytime in Hours
Up to 29,999	15
30,000 – 39,999	16
40,000 – 49,999	17
50,000 – 59,999	18
60,000 – 69,999	19
70,000 – 79,999	20
80,000 – 89,999	21
90,000 – 99,999	22
100,000 – 109,999	23
110,000 – 119,999	24
120,000 – 129,999	25
130,000 – 139,999	26
140,000 – 149,999	27
150,000 – 179,999	30
180,000 or more	36

- B) In the event of a partial delivery of Cargo under the Agreement, allowed laytime will be based on this Section 4.8 d) ii) and allocated pro rata by dividing the Cargo Quantity delivered to Buyer by the Vessel's full Cargo volume as determined by the bills of lading for the voyage. If the bills of lading are not available, the total NSV outturn volume must be used. In any case, the minimum allowed laytime for a partial delivery of the Cargo will never be less than twelve (12) hours.

- iii) Pumping Allowance Deduction. For the avoidance of doubt, no pumping allowance deduction is allowed for an Ocean-Going Barge.

- e) Ocean Tankers.
 - i) Laytime.
 - A) If the Ocean Tanker tenders NOR prior to the commencement of the applicable Delivery Window, laytime will commence at 0600 hours, local time, at the specified location on the commencement date of such Delivery Window or All Fast, whichever occurs first, unless otherwise specifically agreed and documented in advance of docking at the designated Shore Facilities.
 - B) If the Ocean Tanker tenders NOR within the applicable Delivery Window, laytime will commence upon the expiration of six (6) hours after NOR is tendered or All Fast to the dock that is associated with the designated Shore Facilities, whichever occurs first.
 - C) If the Ocean Tanker tenders NOR after the end of the applicable Delivery Window, laytime will commence at All Fast.
 - D) Notwithstanding anything herein to the contrary, laytime will cease at the point in time when the hose is disconnected from the Ocean Tanker.
 - ii) Allowed Laytime.
 - A) Allowed laytime for any Ocean Tanker nominated under the Agreement will be one-half (1/2) of the allowed laytime under the CP terms for the Vessel, but never less than thirty-six (36) Running Hours for either loading or discharging of a full Cargo.
 - B) Unless otherwise expressly stated in the Special Provisions, partial delivery laytime will not apply. In the event of a partial delivery of the Cargo under the Agreement, one-half (1/2) of the allowed laytime under the CP terms for the Ocean Tanker will be allocated pro rata by dividing the Cargo Quantity delivered to Buyer by the entire volume of Cargo loaded on the Ocean Tanker for the voyage as determined by the bill(s) of lading. If the bills of lading are not available, the total NSV outturn volume must be used. In any case, the minimum allowed laytime for a partial delivery of the Cargo will never be less than twelve (12) hours.
 - iii) Pumping (Excluding Inland and Ocean-Going Barges).
 - A) Vessel Party certifies that the Ocean Tanker is capable of discharging a full Cargo at a single Shore Facility within twenty-four (24) hours, or maintaining an average discharge pressure of one hundred (100) PSI at the Ocean Tanker's manifold during the bulk discharge, provided the applicable Shore Facilities are capable of receiving same.
 - B) Time lost by reason of failure to pump or maintain the average pressure, as set forth in Section 4.8 e) iii) A) above will not count as used laytime or Demurrage. Time lost will be calculated using the Asdem Pumping Performance Formula to determine the difference between the actual time taken to discharge and the time the Vessel would have taken had an average of one hundred (100) PSI been maintained.

- C) If for any reason, other than a Terminal Designating Party does not have the capability to segregate multiple Products, the Ocean Tanker is required to load or discharge the Cargo separately at the same Terminal, Vessel Party shall be responsible for laytime or Demurrage, if on Demurrage.

Section 4.9. Used Laytime Exclusions.

In addition to exclusions to laytime and time on Demurrage mentioned in this Article, the following will not count as used laytime or as time on Demurrage:

- a) Time during inward passage from anchorage, the designating waiting area, or other waiting place, even if lightering has taken place at the anchorage or other waiting place, until Vessel is All Fast.
- b) Delays in berthing due to waiting on pilots, tugs, tide, or daylight; provided, however, Terminal Designating Party will be permitted to exclude time waiting on tide or daylight only for the tide and/or daylight immediately preceding berthing.
- c) Any time consumed in the interruption of transfer operations of the Cargo due to the Vessel's requiring separate and/or additional shore tank gauges for any reason, the Vessel's failure to comply with any applicable published or posted requirement for the designated Shore Facilities, including safety and mooring requirements, or as a result of Vessel Party's request(s) for line fill checks by comparing intermediate ship and shore gauges.
- d) Any delay caused by strike, lockout, stoppage or restraint of labor of the master, officers, and crew of the Vessel or towboat, or pilot or subcontractor to Vessel Party.
- e) Cleaning of tanks and/or pumps, lining up and/or draining of pumps, ballasting and/or de-ballasting, bunkering, internal stripping, or for any other purpose of the Vessel, but in each case only to the extent any of the preceding events prevent officers and crew of the Vessel from performing cargo operations (examples of cargo operations include tank gauging/tank inspection, cargo calculations, pre-cargo transfer meeting, and hose connection), or cargo contamination.
- f) Any delay caused by Vessel Party's failure to comply with all financial and/or credit responsibilities of the Agreement.
- g) Delay due to prohibition of any cargo transfer at any time by the Vessel, Vessel Party, or the owner of the Vessel.
- h) Any delay caused by Vessel's failure to have the required certificate of financial responsibility, or failure to be in compliance with applicable USCG regulations, including USCG COC exam, or failure to have other legally required documentation.

- i) Any delay by reason of local law or regulations, action or inaction by local authorities (including port, USCG, naval, USCBP, immigration and/or health authorities, including effective one-way traffic restrictions due to the application of pilot guidelines or local regulations) with the exception of port closures due to strikes, weather, and/or sea conditions.
- j) Any delay for which the Vessel, the Vessel's master, or crew is responsible.
- k) Any delay caused by an actual or threatened pollution incident, bunker contamination, or other Marine Incident, regardless of cause.
- l) In the event of Force Majeure, in which case laytime, Demurrage and/or deviation will not accrue nor recommence, as the case may be, until such time as the Shore Facilities and/or Vessel are ready to undertake loading or discharging operations.
- m) Any delay that co-exists alongside a condition or with any other delay, in which case the delay resulting, arising out of, or related to the Vessel shall conclusively be deemed to be the sole cause of the delay regardless whether an act or omission caused the delay independently of the other conditions or could have caused the delay if the other conditions had not co-existed.

Section 4.10. Shared Delays.

In addition to exclusions to laytime (or time on Demurrage if the Vessel is on Demurrage) mentioned in this Article, laytime (or time on Demurrage if Vessel is on Demurrage) will be reduced to one-half (1/2) for the following conditions:

- a) delays due to weather and/or sea conditions, including lightning, ice, fog, storm, wind, waves and/or swells;
- b) channel blockage (unrelated to berth congestion or traffic) and/or port closure associated with the designated Shore Facilities;
- c) breakdown or failure of equipment or machinery in, on, or about the designated Shore Facilities; and
- d) pre-transfer Cargo inspections, gauging, sampling, and other similar activities.

Section 4.11 Demurrage.

- a) Demurrage – Generally. A claim for Demurrage will be payable for each Running Hour and pro rata for each part of an hour that used laytime exceeds the allowed laytime.
- b) Rate Determination. Unless otherwise stated in the Special Provisions:
 - i) Spot Chartered Equipment. For Spot (Voyage) Chartered Equipment that is used in connection with the Agreement, the rate will be based on the rate specified in the Vessel's CP. For Demurrage purposes, all tugs, push boats, and/or barges operating as a unit will be considered collectively as a single Tow.

- ii) Term Chartered or Owned Equipment. For Term Chartered Equipment or owned equipment that is used in connection with the Agreement, the rate will be as specified in the Vessel nomination or in the Agreement, but if no such rate is specified in the Vessel nomination then the rate will be the market rate assessment. For Ocean-Going Barges and Ocean Tankers, the rate will be determined by an average of the three (3) broker rate assessments of the market for a similar Vessel and voyage.

- c) Demurrage Claims Processing.
 - i) Demurrage claims arising at the designated Shore Facilities must be submitted in writing with all required supporting documentation listed in Section 4.11 d) of these General Terms and received by Terminal Designating Party within ninety (90) days from the date from when hoses are disconnected after loading or discharging of the Cargo is completed. When Valero is the Terminal Designating Party, claims will be sent by one of the following means:

1) Email: Demurrage@Valero.com.

2) Federal Express to:

Valero Marketing and Supply Company
Attention: Demurrage Department
One Valero Way
San Antonio, Texas 78249-1112

3) United States Postal Service to:

Valero Marketing and Supply Company
Attention: Demurrage Department
P.O. Box 696000
San Antonio, Texas 78269-6000

For the avoidance of doubt, when Valero is the Terminal Designating Party, a Demurrage claim sent to any address other than those set forth in this Section 4.11 c) i) will not be considered received for the purposes of this Section 4.11 c) i).

- ii) Claims received after 1200 hours local time will be deemed to have been received on the next Business Day. If the claim and all required supporting documentation listed in Section 4.11 d) of these General Terms and received by Terminal Designating Party within the ninety (90) day from the date form when the hoses are disconnected after loading or discharging of the Cargo is completed.

- iii) Vessel Party must provide proof of payment of demurrage to recover any demurrage from Terminal Designating Party. The demurrage payable by Terminal Designating Party will not exceed the amount of demurrage actually paid by Vessel Party. Terminal Designating Party assumes no obligation to pay demurrage to Vessel interests. The demurrage obligations hereunder are independent of any demurrage obligations under the CP, except as otherwise provided herein.

- iv) Terminal Designating Party must notify Vessel Party of any objections to any Demurrage claim under the Agreement, with reasonable details of the grounds for the objections, within one hundred eighty (180) days after Terminal Designating Party's receipt of the claim. If Terminal Designating Party fails to notify Vessel Party of such objections within the one hundred and eighty (180) day period, then Terminal Designating Party will be deemed to have waived any objection to the claim and Terminal Designating Party shall be liable to pay the claim in the amount claimed without deduction or set off.
- d) Demurrage Documentation.
- i) Tows and Inland Barges. Claims must include laytime calculations, daily boat logs, and applicable documentation for the Demurrage rates set forth in Section 4.11 b) of these General Terms.
- ii) Ocean-Going Barges. Claims must include laytime calculation, copy of the Vessel's NOR, Vessel's SOF, any letters of protest, and if a claim is for discharge of Cargo then the Vessel pumping logs. Such claims must also be supported by documentation for the Demurrage rates set forth in Section 4.11 b) of these General Terms. Part Cargo calculations must be supported by bill(s) of lading, if available, or inspector reports reflecting NSV outturn volume.
- iii) Ocean Tankers. Claims must include laytime calculation, copy of the Vessel's NOR, agent's port log, Vessel's SOF, any letters of protest, and if a claim is for discharge of Cargo then the Vessel pumping logs. Such claims must also be supported by documentation for the Demurrage rates set forth in Section 4.11 b) of these General Terms. Part Cargo calculations must be supported by bill(s) of lading, if available, or inspector reports reflecting NSV outturn volume.
- e) Non-Demurrage Marine Claims. Claims for other maritime operations, including shifting, deviation, detention, bunker charges, port charges, or any other expense must be submitted in writing with supporting documentation within ninety (90) days from the date when hoses are disconnected after loading or discharging of the Cargo is completed. When Valero is the Terminal Designating Party, claims must be submitted to the operations email at VMSCClean@Valero.com or VMSCFeed@Valero.com and include the applicable Valero operations scheduler and Valero reference number. Claims received after 1200 hours local time will be deemed to have been received on the next Business Day. If the claim and all required supporting documentation are not provided within the specified time, the claim will be deemed to be waived for all purposes. If a dispute arises as to the receipt of the claim within the ninety (90) day time deadline, written documentation of the receipt of the claim in question will be required before the claim will be considered.

Section 4.12. Other Marine Related Conditions.

Appendix A attached to these General Terms is incorporated into this Article for all purposes as if fully set forth herein.

ARTICLE 5. DES, DAT, DAP, DPU, AND DDP DELIVERIES – VESSEL

Section 5.1. Delivery.

The Product will be delivered from Seller to Buyer DES, DAT, DAP, DPU, or DDP, as applicable, by Vessel at the Delivery Port.

Section 5.2. Title.

Title of the Product will pass from Seller to Buyer as the Product passes from the delivery Vessel's last permanent discharge flange and into the first flange at the Delivery Port.

Section 5.3. Measurement of Quality and Quantity, Location, Sampling, Independent Inspection.

a) Quantity.

- i) The quantity of the Product must be determined by an Independent Inspector and in accordance with the latest established API/ASTM standards for the method of delivery. Unless otherwise specified elsewhere in the Agreement, all volumes must be corrected to the Reference Conditions in accordance with the latest supplement or amendment to API-MPMS ASTM D-1250. Metering systems must conform to the API/ASTM standards then in effect relative to meter calibration/accuracy. The Party responsible for the meters and associated temperature probes used for measurement under the Agreement shall ensure that such meters and temperature probes are calibrated and proved according to applicable API/ASTM standards, but in any event, not less frequently than once every calendar quarter. If the other Party has reasonable cause, it will have the right to independently certify, at its own expense, the calibration of such meters and temperature probes.
- ii) In order of preference and performed by the Independent Inspector, the official quantity will be determined by:
 - A) Meters. Meters that have been installed, proven, certified, and operated in accordance with the most currently published applicable API or EI standards. The meter owner shall provide proving and certification documents as requested.
 - B) Static Tank Gauges. If meters are not available or not installed, proven, and certified per API or EI standards, or not properly working, then the official quantity will be determined by static shore tank measurements, as determined by the Independent Inspector. If shore tanks are active, in unsuitable condition for custody transfer, or if any other condition exists that may affect the accuracy of measurements (including the following: tanks that have been stripped empty; liquid level in the bottom (critical) zone or floating-roof in the critical zone; tanks that have less than twelve inches (12") of liquid level at gauge point; liquid levels below datum plate; excessive water, snow or product on the floating roof; non-perforated standpipe per API standards; tank leaning or bulging; solidified material; incrustation; or other unsuitable conditions), then Vessel measurements will prevail as the official quantity as outlined below.

- C) Vessel. The Vessel volume with applicable VEF will apply. An applicable load VEF will apply when a Vessel receives the Cargo and an applicable discharge VEF will apply when a Vessel delivers the Cargo. If the primary method for the calculation does not produce a valid VEF, then an alternate method must be used.
- iii) Lightering. If Product transfer occurs at lightering, the official quantity will be calculated using the LSV measurements (as measured alongside a stationary berth) less OBQ and adjusted for an applicable VEF. In the event the LSV does not have a VEF or a VEF cannot be determined, then the STBL measurement adjusted for an applicable VEF will apply.
- iv) Line Verification. Line verification must be performed in accordance with API-MPMS Chapter 17.6 and witnessed by the Independent Inspector. If the line displacement method is used, any volume variances less than the Measurement Tolerance will be deemed as an agreed upon measurement tolerance and will not be added back to the line verification volume. Any volume variances greater than the Measurement Tolerance will be added back to the line verification volume. If no line verification is performed, then the official volumes will revert to Vessel measurements as outlined in Section 5.3 a) ii) C) above. For any location where the shore pipelines are blown or stripped, the following procedures must be followed to determine the official volume: i) open the custody approved tank and gauge, temperature test, and water cut such tank and pull samples therefrom according to the applicable API procedures; ii) perform a shore to/from Vessel line displacement in accordance with API-MPMS Chapter 17.6; iii) gauge and temperature test the custody approved tank according to applicable API procedures; vi) perform a second shore to/from Vessel line displacement and a second gauge and temperature test of the custody approved tank, each in accordance with the applicable procedures in clauses ii) and iii) above; and v) gauge and temperature test the shore tank and water cut and pull samples therefrom upon completion of the custody movement but before the shore pipeline is blown or stripped. Upon completion of the foregoing, the custody movement shall be deemed complete and any subsequent line clearing will not be included in the official volume. The volume reflected by the custody tank measurements along with the line displacement's difference added or subtracted will be the official volume used for the custody transfer.
- b) Quality. The quality of the Product must be determined by the Independent Inspector and in accordance with the latest established API/ASTM standards for the method of delivery. If available, the quality of Product must be determined by an automatic, volumetric in-line sampler that has been certified and proven for the applicable Product per API standards. If an in-line sampler is not available or has not been certified and proven, quality must be determined by a volumetric composite sample of each Vessel tank before discharge (for cargo discharges) or a volumetric composite of each static shore tank before loading (for cargo loadings) will be used to test for official quality. For lightering, a volumetric composite of the LSV taken at the time of quantity measurement or alongside a stationary dock must be used for the official quality. For both marine deliveries and lightering, split samples must be collected by the Independent Inspector such that Buyer, Seller and Independent Inspector receive an approximately equivalent portion of the composite sample(s) collected.

- c) Location of Measurements. Quantity and quality must be measured at the Delivery Port.
- d) Independent Inspector.
 - i) All fees and other charges of the Independent Inspector must be shared equally by the Parties. The Parties shall instruct the Independent Inspector to obtain and retain appropriate samples of the Product for a period of ninety (90) days from the date of measurement.
 - ii) Each Party has the right to have a representative present at the time of loading, discharge, gauging and/or measurement of Product purchased or sold under the Agreement. Such representative must comply with any applicable dock, Terminal, and/or pipeline facilities' safety procedures or requirements.
 - iii) Regardless of whether either Party elects to have a representative present to observe loading, discharge, gauging and/or measurement, the Independent Inspector's certificates of quantity and quality will be binding upon the Parties, absent fraud or manifest error.

Section 5.4. Vessel Nomination, Acceptance, and Rejection.

- a) All Vessels nominated by Vessel Party, and each Vessel to be used in connection with the loading, discharging, or lightering of the Cargo under the Agreement must meet all applicable Vessel requirements set forth in the Agreement and of the designated Shore Facilities, including i) safety instructions and mooring equipment requirements; ii) restrictions with respect to the Vessel, including maximum draft, air draft, length, deadweight, displacement, age, flag, and Sanctions Law status; iii) restrictions with respect to Vessel operations, such as bunkering or receiving provisions, stores, or equipment; and iv) ETA requirements at certain Shore Facilities in Mexico, if applicable. Vessel Party shall be responsible for compliance with the foregoing and all delays and attendant costs relating to a failure to comply with the foregoing in this paragraph are for Vessel Party's account. If the Vessel does not comply with the requirements of the designated Shore Facility (including the size and fit of the Vessel), then such Shore Facility may reject, expel or refuse to berth, load or discharge the Vessel, in which case all attendant delays, damages and expenses are for Vessel Party's account. It is the sole responsibility and duty of the Vessel and/or Vessel Party to contact the designated Shore Facilities to obtain all requirements related to berthing or docking at such facilities (including the size and fit of the Vessel) and to comply with such requirements. At the request of the designated Shore Facilities or Terminal Designating Party, the nominated Vessel must promptly complete a vessel questionnaire provided by such Shore Facilities or such Terminal Designating Party. Acceptance of any Vessel by such Shore Facilities does not constitute a continuing acceptance of such Vessel for any subsequent loading, discharging, or lightering. Unless otherwise agreed to by the Parties, all deliveries and loadings of the Cargo in accordance with the terms and conditions of the Agreement will only involve a single voyage.

- b) Once a nominated Vessel is accepted by the designated Shore Facilities to receive or deliver the Cargo, the use of any other Vessel(s), including lighters, carrying the Cargo under the Agreement will only be permitted by prior, written mutual agreement, and all expense, risk of loss, and/or liability associated with such activity or activities are for Vessel Party's account. Any written permission or consent of or by such Shore Facilities allowing the use of such other Vessel(s) will not be unreasonably withheld, delayed, or conditioned.
- c) Notwithstanding anything to the contrary expressed or implied elsewhere herein, Terminal Designating Party has the right:
 - i) to reject any nomination made on any reasonable ground; and/or
 - ii) to refuse to accept for loading, on any reasonable ground, any Vessel nominated; and/or
 - iii) to reject the Vessel in question, notwithstanding any prior acceptance of such Vessel (whether named in the Special Provisions or nominated or substituted), on any reasonable ground if such Vessel is involved in any Marine Incident or casualty, such Vessel suffers a breakdown en route that results in a delay in the Vessel's scheduled arrival beyond the Delivery Window, such Vessel suffers a breakdown en route that results in the failure of a material Vessel component, system, or equipment (regardless of whether a delay occurs), such Vessel fails to comply with the requirements of Section 1.2 in Appendix A to these General Terms, or more recent information regarding such Vessel becomes available to Seller that indicates that the information relied upon by Terminal Designating Party in previously accepting the Vessel was materially incorrect or incomplete.

Without derogating from any other reasonable grounds that may be available to Terminal Designating Party, it will be a reasonable ground for Terminal Designating Party to reject or refuse a Vessel pursuant to this Section if the Vessel, either at the time of nomination or at any time subsequently, is not approved, or is determined to be unacceptable, by any vessel vetting system operated by or vetting policy adhered to by Terminal Designating Party, the designated Shore Facilities, or one of the oil majors.

- d) If a Vessel is rejected by Valero or the designated Shore Facilities receiving or delivering the Cargo, Vessel Party must nominate a suitable substitute Vessel within twenty-four (24) hours of such rejection for acceptance by Valero and such Shore Facilities. If Vessel Party fails to nominate a suitable substitute Vessel, then Valero has the right to terminate the Agreement for cause.
- e) In the event a rejection, delay, or other restriction of a Vessel occurs as a result of any action or inaction pursuant to this Section, or as a result of the application of any Applicable Laws, then: i) Valero will have no liability for the consequences of such rejection, delay, or restriction and any time consumed as a result thereof will not count as used Laytime or, if the Vessel is on Demurrage, as time on Demurrage; ii) Vessel Party shall be liable for all costs or damages incurred by Valero: 1) arising out

of any such rejection, delay, or restriction; and/or 2) resulting from any delays in discharging Product hereunder due to any failure by Vessel Party to comply with the requirements of this Section in a timely manner; and iii) Vessel Party's obligations under the Agreement to nominate a suitable Vessel and to ensure that it tenders NOR at the Shore Facilities will be unaffected.

Section 5.5. Estimated Time of Arrival.

- a) Upon acceptance of the Vessel nomination by Terminal Designating Party under the Agreement, either the Vessel or Vessel Party shall immediately advise the designated Shore Facilities and other Parties to the Agreement of the Vessel's current position/location in terms of latitude and longitude, operational status, and ETA, by email or any other means deemed necessary or appropriate under Applicable Law, including the Maritime Security Regulations. The ETA must be further promptly updated by email or other electronic means as follows:
 - i) upon leaving the last port, Terminal, or lightering site before sailing to the designated Shore Facilities or lightering site, or at least seven (7) days in advance of tendering NOR, whichever is more;
 - ii) at seventy-two (72), forty-eight (48), twenty-four (24), and twelve (12) hours before the Vessel's expected arrival at the designated Shore Facilities or lightering site specified in the Special Provisions; and
 - iii) the Vessel must promptly notify the designated Shore Facilities and Terminal Designating Party of the new ETA if the ETA changes by plus or minus two (2) hours or more following the twelve (12) hour arrival notice.
- b) For certain Shore Facilities in Mexico, the ETA requirement may be more stringent. Vessel Party is required to comply with such ETA requirements, failing which Vessel Party is liable for delay damages incurred by any Party to the Agreement as a result of the Shore Facility's refusal to allow the Vessel to berth.
- c) Except with respect to Product delivered from Seller to Buyer DES, the failure to comply with these ETA notifications may result in delays in the acceptance of the NOR by the designated Shore Facilities as outlined in Section 5.7 of these General Terms.

Section 5.6. Delivery Window.

Vessel Party shall provide a ten (10) day Delivery Window no later than thirty (30) days or as early as practicable prior to the commencement of the Delivery Window. Fifteen (15) days prior to the commencement of the Delivery Window, Terminal Designating Party shall narrow the Delivery Window to five (5) days, and five (5) days prior to the commencement of the Delivery Window, Vessel Party shall narrow the Delivery Window to three (3) days. If such Delivery Window is not provided or narrowed, the three (3) day Delivery Window will commence on the last three (3) days of any previously narrowed Delivery Window.

Section 5.7. Notice of Readiness.

- a) If the Vessel is ordered to anchor, a NOR will only be considered valid from the time such Vessel is anchored at the Customary Anchorage and in accordance with the following in this Section.
- b) After the Vessel has arrived at the Customary Anchorage or other place of waiting as required by the designated Shore Facilities, and is in all respects ready to proceed to the berth to commence loading or discharging the Cargo in accordance with terms of the Agreement (including having an Applicable Certificate), the master, captain, master's agent, or barge representative shall promptly give such Shore Facilities and the other Parties hereto a NOR by email, any form of wireless radio or satellite communication available, or telephone. For Ocean Tankers, if a NOR is given verbally, confirmation in writing must be made within twelve (12) hours after any such verbal notification is given. For voyages to or from the US, a NOR tendered before the Vessel holds a valid COC is ineffective and does not constitute Vessel readiness for loading or discharging the Cargo. Even if a valid COC exists, a NOR that is tendered before an annual COC examination is complete is ineffective unless the USCG grants the Vessel a waiver to commence loading or discharging the Cargo without delay.
- c) Any proper NOR submitted before the applicable Delivery Window will become effective as set forth in Section 5.8 of these General Terms.
- d) If NOR is tendered prior to meeting all of the above criteria in this Section, the date and effective time of the NOR will not be deemed properly tendered.
- e) Notwithstanding anything herein to the contrary, if a NOR is tendered prior to meeting all of the above criteria in this Section, such NOR will be automatically and retroactively deemed invalid and not properly tendered, the date and effective time of the NOR will be deemed ineffective, and a NOR must be tendered again, approved, and in compliance with this Section. Any delays as a result will not count as used laytime or as time on Demurrage against the designated Shore Facilities or Terminal Designating Party, and all direct costs, expenses, losses, and damages related thereto are for Vessel Party's account.

Section 5.8. Allowed and Used Laytime.

- a) Public-Dock Clause. Unless expressly stated otherwise in the Agreement, a public-dock clause does not apply. Where, however, a public-dock clause is included in the Agreement, then i) the docks listed in the LEAP Public Dock List at the time of the Agreement, ii) the docks included in Appendix C to these General Terms, and iii) the Delivery Port or other specified location where the Product is intended to be delivered, as set forth in the Special Provisions, or is actually discharged, whether at the time of entering into the Agreement or nominated thereafter, will be considered a public dock subject to such public-dock clause. If loading occurs at a public Terminal over which Seller has no control, Vessels are loaded on a first come first serve basis subject to dock availability and laytime commences only upon All Fast at the berth regardless of time of tendering NOR for loading or discharge.

b) Cargo Sampling and Analysis.

- i) If the quality of the Cargo is called into question (for example, quality is evaluated as not meeting the applicable specifications for the Cargo as stated in the Agreement) prior to delivery, any delays, including re-sampling and/or analysis, are for the account:
 - A) of Seller, if the Cargo in question fails to meet the applicable specifications under the Agreement;
or
 - B) of Buyer, if the Cargo in question meets the applicable specifications under the Agreement.
- ii) Any delay attributed to additional sampling and/or testing (other than to resolve a quality dispute as contemplated above) will be for the Party requesting same, and time will count as laytime or Demurrage, if on Demurrage.
- iii) Any cost, expense, and delay attributed to sampling and/or testing, which are required as a result of any Applicable Law or Governmental Authority, including the EPA and/or the USCG, will be shared 50/50 between Vessel Party and Terminal Designating Party.

c) Tows and Inland Barge(s).

- i) Laytime. For purposes of this Section 5.8 c) i), clauses A) through D) below, the term “arrives” or “arrival” means when the Tow for the Inland Barge nominated by Vessel Party has placed itself at the designated waiting area for the Delivery Port. The Tow will be considered to have arrived at the designated waiting area when it is at the customary berth, anchorage, or fleeting area (or if such fleeting area is not available, then the closest available fleeting area), and is in all respects ready to proceed to the berth to commence loading or discharging of the Cargo in accordance with the Agreement, including having an Applicable Certificate.
 - A) If the Tow arrives prior to the commencement of the applicable Delivery Window, laytime will commence at 0001 hours, local time, on the commencement date of such Delivery Window, or All Fast, whichever occurs first, unless otherwise specifically agreed and documented by the Parties in advance of docking at the designated Shore Facilities.
 - B) If the Tow arrives within the applicable Delivery Window, laytime will commence upon such arrival.
 - C) If the Tow arrives after the end of the applicable Delivery Window, laytime will commence at All Fast.
 - D) Notwithstanding anything herein to the contrary, laytime will cease at the point in time when the hose is disconnected from the Tow.
- ii) Allowed Laytime.
 - A) Inland Barge(s) with 24,999 BBLs or Fewer. Allowed laytime for any Inland Barges having or containing a Cargo Quantity of twenty-four thousand nine hundred ninety-nine (24,999) Barrels or fewer will be twelve (12) hours.

- B) Inland Barge(s) with 25,000 BBLs or More. Allowed laytime for any Inland Barges having or containing a Cargo Quantity of twenty-five thousand (25,000) Barrels or more will be based on the applicable CP terms for such Inland Barge. In the absence of any such applicable CP terms, allowed laytime shall be one (1) hour for each two thousand five hundred (2,500) Barrels loaded and/or one (1) hour for each two thousand five hundred (2,500) Barrels discharged. Three (3) hours of free time will be given at load and/or discharge. In no event will allowed laytime be less than twelve (12) hours, which includes three (3) hours of free time.
- C) Multiple Barges with Simultaneous Loading/Discharge. If more than one (1) barge is utilized, barges will be expected to load and/or discharge simultaneously in accordance with USCG requirements.
- 1) If the designated Shore Facilities require barges to berth individually, the shifting of the barges during operations, after the arrival at berth of the first barge until the last barge is released, is for Terminal Designating Party's account.
 - 2) If the Tow requires barges to berth individually, time consumed in shifting the barges will not count as used laytime or Demurrage, if on Demurrage.
 - 3) Time for shifting the barges when not attributable to either Party will be split 50/50 by the Parties.
- iii) Pumping Allowance Deduction. For the avoidance of doubt, no pumping allowance deduction is allowed for a Tow or Inland Barge if the loading or discharge rate is less than two thousand five hundred (2,500) Barrels per hour.
- d) Ocean-Going Barge(s).
- i) Laytime. For the purposes of this Section 5.8 d) i), clauses A) through D) below, the term "arrives" or "arrival" means when the applicable Ocean-Going Barge has placed itself at the Customary Anchorage and/or the closest available waiting area for the Delivery Port, and is in all respects ready to proceed to the berth to commence loading or discharging the Cargo.
 - A) If the Ocean-Going Barge arrives prior to the commencement of the applicable Delivery Window, laytime will commence at 0001 hours, local time, on the commencement date of such Delivery Window, or All Fast, whichever occurs first, unless otherwise specifically agreed and documented by the Parties in advance of docking at the designated Shore Facilities.
 - B) If the Ocean-Going Barge arrives within the applicable Delivery Window, laytime will commence upon such arrival.
 - C) If the Ocean-Going Barge arrives after the end of the applicable Delivery Window, laytime will commence at All Fast.
 - D) Notwithstanding anything herein to the contrary, laytime will cease at the point in time when the hose is disconnected from the Ocean-Going Barge.

ii) Allowed Laytime.

A) Allowed laytime for any Ocean-Going Barge nominated under the Agreement will be one-half (1/2) of the allowed laytime under the CP terms for the Vessel, prorated for part Cargo (as provided below) with a minimum of fifteen (15) hours allowed. In the absence of such CP terms, laytime will be the number of hours as specified in the table below:

Cargo Quantity (NSV) in Barrels	Laytime in Hours
Up to 29,999	15
30,000 – 39,999	16
40,000 – 49,999	17
50,000 – 59,999	18
60,000 – 69,999	19
70,000 – 79,999	20
80,000 – 89,999	21
90,000 – 99,999	22
100,000 – 109,999	23
110,000 – 119,999	24
120,000 – 129,999	25
130,000 – 139,999	26
140,000 – 149,999	27
150,000 – 179,999	30
180,000 or more	36

B) In the event of a partial load of Cargo under the Agreement, allowed laytime will be based on this Section 5.8 d) ii) and allocated pro rata by dividing the Cargo Quantity delivered to Buyer by the Vessel's full Cargo volume as determined by the bills of lading for the voyage. If the bills of lading are not available, the total NSV outturn volume must be used. In any case, the minimum allowed laytime for a partial delivery of the Cargo will never be less than twelve (12) hours.

iii) Pumping Allowance Deduction. For the avoidance of doubt, no pumping allowance deduction is allowed for an Ocean-Going Barge.

e) Ocean Tankers.

i) Laytime.

- A) If the Ocean Tanker tenders NOR prior to the commencement of the applicable Delivery Window, laytime will commence at 0600 hours, local time, at the specified location on the commencement date of such Delivery Window or All Fast, whichever occurs first, unless otherwise specifically agreed and documented in advance of docking at the designated Shore Facilities.
- B) If the Ocean Tanker tenders NOR within the applicable Delivery Window, laytime will commence upon the expiration of six (6) hours after NOR is tendered or All Fast to the dock that is associated with the designated Shore Facilities, whichever occurs first.
- C) If the Ocean Tanker tenders NOR after the end of the applicable Delivery Window, laytime will commence at All Fast.
- D) Notwithstanding anything herein to the contrary, laytime will cease at the point in time when the hose is disconnected from the Ocean Tanker.

ii) Allowed Laytime.

- A) Allowed laytime for any Ocean Tanker nominated under the Agreement will be one-half (1/2) of the allowed laytime under the CP terms for the Vessel, but never less than thirty-six (36) Running Hours for either loading or discharging of a full Cargo.
- B) Unless otherwise expressly stated in the Agreement, partial load laytime will not apply. In the event of a partial delivery of the Cargo under the Agreement, one-half (1/2) of the allowed laytime under the CP terms for the Ocean Tanker will be allocated pro rata by dividing the Cargo Quantity delivered to Buyer by the entire volume of Cargo loaded on the Ocean Tanker for the voyage as determined by the bill(s) of lading. If the bills of lading are not available, the total NSV outturn volume must be used. In any case, the minimum allowed laytime for a partial delivery of the Cargo will never be less than twelve (12) hours.

iii) Pumping (Excluding Inland and Ocean-Going Barges).

- A) Vessel Party certifies that the Ocean Tanker is capable of discharging a full Cargo at a single Shore Facility within twenty-four (24) hours, or maintaining an average discharge pressure of one hundred (100) PSI at the Ocean Tanker's manifold during the bulk discharge, provided the applicable Shore Facilities are capable of receiving same.
- B) Time lost by reason of failure to pump or maintain the average pressure, as set forth in Section 5.8 e) iii) A) above will not count as used laytime or Demurrage. Time lost will be calculated using the Asdem Pumping Performance Formula to determine the difference between the actual time taken to discharge and the time the Vessel would have taken had an average of one hundred (100) PSI been maintained.
- C) If for any reason, other than a Terminal Designating Party does not have the capability to segregate multiple Products, the Ocean Tanker is required to load the Cargo separately at the same Terminal, Vessel Party shall be responsible for laytime or Demurrage, if on Demurrage.

Section 5.9. Used Laytime Exclusions (Excluding Lightering).

In addition to exclusions to laytime and time on Demurrage mentioned in this Article, the following will not count as used laytime or as time on Demurrage:

- a) Time during inward passage from anchorage, the designated waiting area, or other waiting place, even if lightering has taken place at the anchorage or other waiting place, until Vessel is All Fast.
- b) Delays in berthing due to waiting on pilots, tugs, tide, or daylight; provided, however, Terminal Designating Party will be permitted to exclude time waiting on tide or daylight only for the tide and/or daylight immediately preceding berthing.
- c) Any time consumed in the interruption of transfer operations of the Cargo due to the Vessel's requiring separate and/or additional shore tank gauges for any reason, the Vessel's failure to comply with any applicable published or posted requirement for the designated Shore Facilities, including safety and mooring requirements, or as a result of Vessel Party's request(s) for line fill checks by comparing intermediate ship and shore gauges.
- d) Any delay caused by strike, lockout, stoppage or restraint of labor of the master, officers, and crew of the Vessel or towboat, or pilot or subcontractor to Vessel Party.
- e) Cleaning of tanks and/or pumps, lining up and/or draining of pumps, ballasting and/or de-ballasting, bunkering, internal stripping, or for any other purpose of the Vessel, but in each case only to the extent any of the preceding events prevent officers and crew of the Vessel from performing cargo operations (examples of cargo operations include tank gauging/tank inspection, cargo calculations, pre-cargo transfer meeting, and hose connection), or cargo contamination.
- f) Any delay caused by Vessel Party's failure to comply with all financial and/or credit responsibilities of the Agreement.
- g) Delay due to prohibition of any cargo transfer at any time by the Vessel, Vessel Party, or the owner of the Vessel.
- h) Any delay caused by Vessel's failure to have the required certificate of financial responsibility, or failure to be in compliance with applicable USCG regulations, including USCG COC exam or COI inspection (as applicable), or failure to have other legally required documentation.
- i) Any delay by reason of local law or regulations, action or inaction by local authorities (including port, USCG, naval, USCBP, immigration and/or health authorities, including effective one-way traffic restrictions due to the application of pilot guidelines or local regulations) with the exception of port closures due to strikes, weather, and/or sea conditions.
- j) Any delay for which the Vessel, the Vessel's master, or crew is responsible.
- k) Any delay caused by an actual or threatened pollution incident, bunker contamination, or other Marine Incident, regardless of cause.

- l) In the event of Force Majeure, in which case laytime, Demurrage and/or deviation will not accrue nor recommence, as the case may be, until such time as the Shore Facilities and/or Vessel are ready to undertake loading or discharging operations.
- m) Any delay that co-exists alongside a condition or with any other delay, in which case the delay resulting, arising out of, or related to the Vessel shall conclusively be deemed to be the sole cause of the delay regardless whether an act or omission caused the delay independently of the other conditions or could have caused the delay if the other conditions had not co-existed.

Notwithstanding the foregoing appearing to the contrary, the provisions of this Section do not apply to lightering, which is specifically addressed in Section 5.11 of these General Terms.

Section 5.10. Shared Delays (Excluding Lightering).

In addition to exclusions to laytime (or time on Demurrage if the Vessel is on Demurrage) mentioned in this Article, laytime (or time on Demurrage if Vessel is on Demurrage) will be reduced to one-half (1/2) for the following conditions:

- a) delays due to weather and/or sea conditions, including lightning, ice, fog, storm, wind, waves and/or swells;
- b) channel blockage (unrelated to berth congestion or traffic) and/or port closure associated with the designated Shore Facilities;
- c) breakdown or failure of equipment or machinery in, on, or about the designated Shore Facilities; and
- d) pre-transfer Cargo inspections, gauging, sampling, and other similar activities.

Notwithstanding the foregoing appearing to the contrary, the provisions of this Section do not apply to lightering, which is specifically addressed in Section 5.11 of these General Terms.

Section 5.11. Lightering.

- a) Lightering – Generally.
 - i) Any partial lightering or lightering to extinction, at sea or at a place outside a designated port, must be conducted in accordance with the latest OCIMF guidelines for ship-to-ship transfers and, if applicable, with port authority approval.
 - ii) Any LSV required by either Buyer or Seller will be subject to the prior written approval of the other Party.
 - iii) The Party requiring lightering is responsible for all expenses related to the lightering. Unless lightering is performed at Vessel's request or as a result of any fault that is attributable to the Vessel, any time used for lightering will count as used laytime or as time on Demurrage, if on Demurrage.

- iv) The lightering point will not be considered a second discharge berth or port under the terms of the Agreement. No deductions will be considered for weather or shifting within the lightering area.
- b) Lightering - Laytime.
- i) If the Vessel tenders NOR at the specific location prior to the commencement of the applicable Delivery Window, laytime will commence at 0001 hours, local time, at the specified location on the commencement date of such Delivery Window or All Fast alongside the LSV, whichever occurs first, unless otherwise specifically agreed and documented by the Parties in advance of docking.
 - ii) If the Vessel tenders NOR at the specific location within the applicable Delivery Window, laytime will commence upon tender of NOR.
 - iii) If the Vessel tenders NOR at the specific location after the end of the applicable Delivery Window, laytime will commence at All Fast alongside the LSV.
 - iv) Laytime will cease when all applicable lightering equipment and fenders have been removed.
- c) Lightering – Allowed Laytime.
- i) The Vessel will be permitted thirty-six (36) Running Hours as allowed laytime for either loading or discharging a full Cargo.
 - ii) In the event of a partial delivery of the Cargo under the Agreement, one-half (1/2) of the allowed laytime will be allocated pro rata by dividing the Cargo Quantity delivered by the STBL's full Cargo volume which will be determined by reference to the bill of lading's quantities. If the bill of lading is not available, then the total NSV outturn volume must be used. In any case, the minimum allowed laytime for a partial delivery of Cargo will never be less than twelve (12) hours.
 - iii) Any delay during the lightering operation for which the Vessel is responsible will not count as used laytime or as time on Demurrage, if on Demurrage.

Section 5.12 Demurrage.

- a) Demurrage – Generally. A claim for Demurrage will be payable for each Running Hour and pro rata for each part of an hour that used laytime exceeds the allowed laytime.
- b) Rate Determination. Unless otherwise stated in the Special Provisions:
- i) Spot Chartered Equipment. For Spot (Voyage) Chartered Equipment that is used in connection with the Agreement, the rate will be based on the rate specified in the Vessel's CP. For Demurrage purposes, all tugs, push boats, and/or barges operating as a unit will be considered collectively as a single Tow.
 - ii) Term Chartered or Owned Equipment. For Term Chartered Equipment or owned equipment that is used in connection with the Agreement, the rate will be as specified in the Vessel nomination, in

the Agreement, or in written communications between the schedulers of the Parties, but if no such rate is specified in the Vessel nomination then the rate will be the market rate assessment. For Ocean-Going Barges and Ocean Tankers, the rate will be determined by an average of the three (3) broker rate assessments of the market for a similar Vessel and voyage.

c) Demurrage Claims Processing.

- i) Demurrage claims arising at the designated Shore Facilities must be submitted in writing with all required supporting documentation listed in Section 5.12 d) of these General Terms and received by Terminal Designating Party within ninety (90) days from the date from when hoses are disconnected after loading or discharging of the Cargo is completed. When Valero is the Terminal Designating Party, claims will be sent by one of the following means:

1) Email: Demurrage@Valero.com.

2) Federal Express to:

Valero Marketing and Supply Company
Attention: Demurrage Department
One Valero Way
San Antonio, Texas 78249-1112

3) United States Postal Service to:

Valero Marketing and Supply Company
Attention: Demurrage Department
P.O. Box 696000
San Antonio, Texas 78269-6000

For the avoidance of doubt, when Valero is the Terminal Designating Party, a Demurrage claim sent to any address other than those set forth in this Section 5.12 c) i) will not be considered received for the purposes of this Section 5.12 c) i).

- ii) Claims received after 1200 hours local time will be deemed to have been received on the next Business Day. If the claim and all required supporting documentation listed in Section 5.12 d) of these General Terms are not provided within the specified time, the claim will be deemed to be waived for all purposes. If a dispute arises as to the receipt of the Demurrage claim within the ninety (90) day time deadline, written documentation of the receipt of the Demurrage claim in question will be required before the claim will be considered.
- iii) Vessel Party must provide proof of payment of demurrage to recover any demurrage from Terminal Designating Party. The demurrage payable by Terminal Designating Party will not exceed the amount of demurrage actually paid by Vessel Party. Terminal Designating Party assumes no obligation to pay demurrage to Vessel interests. The demurrage obligations hereunder are independent of any demurrage obligations under the CP, except as otherwise provided herein.

- iv) Terminal Designating Party must notify Vessel Party of any objections to any Demurrage claim under the Agreement, with reasonable details of the grounds for the objections, within one hundred eighty (180) days after Terminal Designating Party's receipt of the claim. If Terminal Designating Party fails to notify Vessel Party of such objections within the one hundred and eighty (180) day period, then Terminal Designating Party will be deemed to have waived any objection to the claim and Terminal Designating Party shall be liable to pay the claim in the amount claimed without deduction or set off.

- d) Demurrage Documentation.
 - i) Tows and Inland Barges. Claims must include laytime calculations, daily boat logs, and applicable documentation for the Demurrage rates set forth in Section 5.12 b) of these General Terms.

 - ii) Ocean-Going Barges. Claims must include laytime calculation, copy of the Vessel's NOR, Vessel's SOF, any letters of protest, and if a claim is for discharge of Cargo then the Vessel pumping logs. Such claims must also be supported by documentation for the Demurrage rates set forth in Section 5.12 b) of these General Terms. Part Cargo calculations must be supported by bill(s) of lading, if available, or inspector reports reflecting NSV outturn volume.

 - iii) Ocean Tankers. Claims must include laytime calculation, copy of the Vessel's NOR, agent's port log, Vessel's SOF, any letters of protest, and if a claim is for discharge of Cargo then the Vessel pumping logs. Such claims must also be supported by documentation for the Demurrage rates set forth in Section 5.12 b) of these General Terms. Part Cargo calculations must be supported by bill(s) of lading, if available, or inspector reports reflecting NSV outturn volume.

- d) Non-Demurrage Marine Claims. Claims for other maritime operations, including shifting, deviation, detention, bunker charges, port charges, or any other expense must be submitted in writing with supporting documentation within ninety (90) days from the date when hoses are disconnected after loading or discharging of the Cargo is completed. When Valero is the Terminal Designating Party, claims must be submitted to the operations email at VMSCClean@Valero.com or VMSCFeed@Valero.com and include the applicable Valero operations scheduler and Valero reference number. Claims received after 1200 hours local time will be deemed to have been received on the next Business Day. If the claim and all required supporting documentation are not provided within the specified time, the claim will be deemed to be waived for all purposes. If a dispute arises as to the receipt of the claim within the ninety (90) day time deadline, written documentation of the receipt of the claim in question will be required before the claim will be considered.

Section 5.13. Other Marine Related Conditions.

Appendix A attached to these General Terms is incorporated into this Article for all purposes as if fully set forth herein.

ARTICLE 6. EXW, FCA, CPT, CIP, DAT, DAP, DPU, AND DDP DELIVERIES - TRUCK AND RAILCAR

Section 6.1. Delivery.

The Product will be delivered from Seller to Buyer as follows:

- a) in the case of EXW or FCA deliveries into truck or railcar, into Buyer's designated truck or railcar at the Terminal designated by Seller and set forth in the Special Provisions;
- b) in the case of CPT or CIP deliveries into truck or railcar, into Seller's designated truck or railcar at the Terminal designated by Seller and set forth in the Special Provisions; and
- c) in the case of DAT, DAP, DPU, or DDP deliveries by truck or railcar, at the Terminal designated by Buyer and set forth in the Special Provisions.

Section 6.2. Title and Risk of Loss.

Title to and risk of loss of the Product will pass from Seller to Buyer as follows:

- a) in the case of EXW or FCA deliveries, as the Product passes the last discharge flange of the loading Terminal designated by Seller and set forth in the Special Provisions and into Buyer's designated truck or railcar;
- b) in the case of CPT or CIP deliveries, as the Product passes the last discharge flange of the loading Terminal designated by Seller and set forth in the Special Provisions and into Seller's designated truck or railcar;
- c) in the case of DAT, DAP, DPU, or DDP deliveries by or out of truck, as the Product passes from Seller's designated truck into the first intake flange at the delivery Terminal designated by Buyer and set forth in the Special Provisions; and
- d) in the case of DAT, DAP, DPU, or DDP by or out of railcar, upon arrival of the railcar at the delivery Terminal designated by Buyer and set forth in the Special Provisions.

Section 6.3. Measurement of Quantity and Quality, Location, Sampling, Independent Inspection.

- a) Generally. Seller must use calibrated and proved meters to measure quantities delivered into truck and railcar, or if such meters are not available, must use the following (in order of preference): scales located at or near the Terminal, manual railcar measurements, or shore tanks located at or near the Terminal. Buyer must use calibrated and proved meters to measure quantities delivered out of truck and railcars, or if such meters are not available, must use the following (in order of preference): scales located at or near the Terminal, manual railcar measurements, or shore tanks located at or near the Terminal.
- b) Quantity. The quantity of the Product must be determined in accordance with the latest established API/ASTM standards for the method of delivery. Unless otherwise specified elsewhere in the Agreement, all volumes must be corrected to the Reference Conditions in accordance with the latest supplement or amendment to API-MPMS ASTM D-1250. Metering systems shall conform to the API/ASTM standards then in effect relative to meter calibration/accuracy. The Party responsible for the meters and associated temperature probes used for measurement under the Agreement shall ensure that such meters and temperature probes are calibrated and proved according to applicable API/ASTM standards, but in any event, not less frequently than once every calendar quarter. If requested, Buyer or Seller (as applicable) shall provide documentation to verify calibration/proving of applicable meters. If the other Party has reasonable cause, it will have the right to independently certify, at its own expense, the calibration of such meters and temperature probes.
- c) Quality. The quality of the Product must be determined in accordance with the latest established API/ASTM standards for the method of delivery. If available, the quality of Product must be determined by an automatic, volumetric in-line sampler that has been certified and proven for the applicable Product per API standards. If an in-line sampler is not available or has not been certified and proven, quality must be determined by a volumetric composite of the static tanks before transfer into the receiving transport or a volumetric composite of the static receiving tanks after receipt from the delivering transport.
- d) Location of Measurements. Quantity and quality must be measured at the location where title to and risk of loss of the Product passes from Seller to Buyer.
- e) Measurements by Independent Inspector. Either Party may require the use of an Independent Inspector for measurements, in which case the following provisions will also apply:
 - i) All fees and other charges of the Independent Inspector will be shared equally by the Parties. The Parties shall instruct the Independent Inspector to obtain and retain appropriate samples of the Product for a period of ninety (90) days from the date of measurement.
 - ii) Each Party has the right to have a representative present at the time of loading, discharge, gauging and measurement of Product purchased or sold under the Agreement. Such representative must comply with any applicable dock, Terminal, and/or pipeline facilities' safety procedures or requirements.

- iii) Regardless of whether either Party elects to have a representative present to observe loading, discharge, gauging and/or measurement, the Independent Inspector's certificates of quantity and quality will be binding upon the Parties, absent fraud or manifest error; provided that Buyer's or Seller's samples, if tested by the original Independent Inspector's laboratory (at such Party's request), or an additional Independent Inspector's laboratory, corroborates the Independent Inspector's quality results.

Section 6.4. Delivery Window and Shipping Documents.

- a) Seller shall make and Buyer shall receive truck and railcar deliveries at such times within the contract delivery window as specified in the Special Provisions. At the time of delivery, Seller shall prepare and furnish Buyer with copies of bills of lading and other shipping papers specified in the Special Provisions.
- b) It is expressly understood and agreed by the Parties that the passage of title and risk of loss as set forth in this Article is not conditioned on delivery or receipt of bills of lading or other documents referenced in Section 9.2 of these General Terms.

Section 6.5. Access Agreement and Right of Refusal.

- a) When accessing the Terminal, Buyer and its employees, agents, and third-party carriers must comply with all operating and safety procedures of the Terminal. Buyer shall inform its employees, agents, and third-party carriers of such procedures and instruct them to comply with such procedures. Buyer shall require that its agents and third-party carriers execute and deliver to Seller, or if Seller is not the owner or operator of the Terminal, to such owner or operator of the Terminal, such agreements as Seller or such other owner or operator may require from time to time in connection with Buyer's (or its agent's or third-party carrier's) access to the Terminal, including a carrier access agreement on terms and conditions customary at the Terminal.
- b) Notwithstanding anything to the contrary express or implied elsewhere in the Agreement, Seller has the right to refuse, on any reasonable ground, to accept any truck or railcar nominated by Buyer. Seller will not be liable for any loss or damage, direct or indirect, which Buyer may suffer as a result of Seller exercising such right.

Section 6.6. Rack Sales – Recurring Liftings.

Unless otherwise stated in the Special Provisions, if the Agreement is for recurring liftings at one or more Terminals, Buyer shall submit to Seller a rack demand forecast by Terminal for each month on or before the fifteenth (15th) day of the preceding month. Using the demand forecast as a guide, Buyer shall withdraw Product on a ratable basis throughout each month and, without Seller's consent, may not withdraw more than one hundred and ten percent (110%) of its forecasted volume in any month (unless otherwise stated in the Special Provisions). If Buyer fails to submit such a forecast, Seller may set volume withdrawal limits in accordance with Buyer's historical withdrawals or as otherwise determined by Seller. In addition, Seller may utilize lifting controls to ensure that Buyer withdraws Product on a ratable basis.

ARTICLE 7. PIPELINE DELIVERIES – INTO PIPELINE, OUT OF PIPELINE, IN-LINE PIPELINE TRANSFERS

Section 7.1. Delivery.

The Product will be delivered from Seller to Buyer as follows:

- a) in the case of into pipeline deliveries, as the Product enters into the pipeline set forth in the Special Provisions;
- b) in the case of out of pipeline deliveries, as the Product exits out of the pipeline set forth into the Special Provisions; and
- c) in the case of in-line pipeline transfers, on the agreed date, as evidenced by the PTO (or other acceptable transfer documentation) issued by the pipeline operator that reflects the delivery on its books and records.

Section 7.2. Title and Risk of Loss.

Title to and risk of loss of the Product will pass from Seller to Buyer as follows:

- a) in the case of into pipeline deliveries, as the Product passes the inlet flange of the receiving pipeline or as the Product otherwise passes the delivery point along the pipeline as specified in the Special Provisions;
- b) in the case of out of pipeline deliveries, as the Product passes the outlet flange of the pipeline or as the Product otherwise passes the delivery point along the pipeline as specified in the Special Provisions; and
- c) in the case of in-line pipeline transfers, at the time of transfer on the agreed date, as evidenced by the PTO (or other acceptable transfer documentation) issued by the pipeline operator that reflects the transfer of title on its books and records.

Section 7.3. Measurement of Quality and Quantity, Location, Independent Inspection.

- a) Quantity.
 - i) Quantities delivered into pipeline must be measured by Seller using calibrated and proved pipeline meters if available, but if not available, then by terminal tank gauges. Quantities delivered out of pipelines must be measured by Buyer using calibrated and proved pipeline meters if available, but if not available, then by terminal tank gauges. Unless otherwise agreed by the Parties, for all deliveries into or out of pipelines where terminal tank gauges must be used for measurement, the Terminal operator shall determine the quantity of Product delivered. Where delivery is made to or received by common carrier pipeline, the pipeline's meters will govern the determination of quantity measurement.

- ii) The quantity of the Product must be determined in accordance with the latest established API/ASTM standards for the method of delivery. Unless otherwise specified elsewhere in the Agreement, all volumes must be corrected to the Reference Conditions in accordance with the latest supplement or amendment to API-MPMS ASTM D-1250. Metering systems must conform to the API/ASTM standards then in effect relative to meter calibration/accuracy. The Party responsible for the meters and associated temperature probes used for measurement under the Agreement shall ensure that such meters and temperature probes are calibrated and proved according to applicable API/ASTM standards, but in any event, not less frequently than once every calendar quarter. If the other Party has reasonable cause, it will have the right to independently certify, at its own expense, the calibration of such meters and temperature probes.

- b) Quality. The quality of the Product must be determined in accordance with the latest established API/ASTM standards for the method of delivery. If available, the quality of Product must be determined by an automatic, volumetric in-line sampler that has been certified and proven for the applicable Product per API standards. The quality of Product delivered by pipeline must be in accordance with the specifications set forth by the relevant pipeline.

- c) Location of Measurements. Quantity and quality must be measured at the location where title to and risk of loss of the Product passes from Seller to Buyer.

- d) Independent Inspector. Either Party may require the use of an Independent Inspector for measurements, subject to the prior agreement of the applicable pipeline company having been obtained where necessary, in which case the following provisions will also apply:
 - i) All fees and other charges of the Independent Inspector will be shared equally by the Parties. The Parties shall instruct the Independent Inspector to obtain and retain appropriate samples of the Product for a period of ninety (90) days from the date of measurement.

 - ii) Each Party has the right to have a representative present at the time of loading, discharge, gauging and measurement of Product purchased or sold under the Agreement. Such representative must comply with any applicable pipeline facilities' safety procedures or requirements.

 - iii) Regardless of whether either Party elects to have a representative present to observe loading, discharge, gauging and/or measurement, the Independent Inspector's certificates of quantity and quality will be binding upon the Parties, absent fraud or manifest error, provided that Buyer's or Seller's samples, if tested by the original Independent Inspector's laboratory (at such Party's request), or an additional Independent Inspector's laboratory, corroborates the Independent Inspector's quality results.

Section 7.4. Nominations.

Nominations for pipeline delivery must be given during normal business hours in accordance with the applicable pipeline's policies and time constraints.

ARTICLE 8. TANK DELIVERIES – OUT OF TANK; INTO TANK; BOOK, STOCK, OR INVENTORY TRANSFER

Section 8.1. Delivery.

The Product will be delivered from Seller to Buyer as follows:

- a) in the case of deliveries out of tank (ex-tank transfer), as the Product passes the outlet flange of the storage tank designated in the Special Provisions;
- b) in the case of deliveries into tank (into-tank transfer), as the Product passes the inlet flange of the storage tank designated in the Special Provisions; and
- c) in the case of deliveries by book, stock, or inventory transfer, then on the effective date of transfer as specified in the Special Provisions.

Section 8.2. Title and Risk of Loss.

Title to and risk of loss of the Product will pass from Seller to Buyer as follows:

- a) in the case of deliveries out of tank (ex-tank transfer), as the Product passes the outlet flange of the storage tank designated in the Special Provisions;
- b) in the case of deliveries into tank (into-tank transfer), as the Product passes the inlet flange of the storage tank designated in the Special Provisions; and
- c) in the case of deliveries by book, stock or inventory transfer, then on the effective date of transfer as specified in the Special Provisions.

Section 8.3. Measurement of Quality and Quantity, Location, Independent Inspection.

a) Quantity.

- i) The quantity of the Product must be determined in accordance with the latest established API/ASTM standards for the method of delivery. Unless otherwise specified elsewhere in the Agreement, all volumes must be corrected to the Reference Conditions in accordance with the latest supplement or amendment to API-MPMS ASTM D-1250. Metering systems must conform to the API/ASTM standards then in effect relative to meter calibration/accuracy. The Party responsible for the meters and associated temperature probes used for measurement under the Agreement shall ensure that such meters and temperature probes are calibrated and proved according to applicable API/ASTM standards, but in any event, not less frequently than once every calendar quarter. If the other Party has reasonable cause, it will have the right to independently certify, at its own expense, the calibration of such meters and temperature probes.
- ii) For stock transfers, quantities will be as mutually agreed according to the Special Provisions or stock transfer letters of the Parties.

- b) Quality. The quality of the Product must be determined in accordance with the latest established API/ASTM standards for the method of delivery. If available, the quality of Product must be determined by an automatic, volumetric in-line sampler that has been certified and proven for the applicable Product per API standards. If an in-line sampler is not available or has not been certified and proven, quality must be determined by a volumetric composite of the tank.
- c) Location of Measurements. Quantity and quality must be measured at the location where title to and risk of loss of the Product passes from Seller to Buyer.
- d) Measurements by Independent Inspector. Either Party may require the use of an Independent Inspector for measurements subject to the prior agreement of the applicable storage company having been obtained where necessary, in which case the following provisions will also apply:
 - i) All fees and other charges of the Independent Inspector will be shared equally by the Parties. The Parties shall instruct the Independent Inspector to obtain and retain appropriate samples of the Product for a period of ninety (90) days from the date of measurement.
 - ii) Each Party has the right to have a representative present at the time of loading, discharge, gauging and measurement of Product purchased or sold under the Agreement. Such representative must comply with any applicable storage facilities' safety procedures or requirements.
 - iii) Regardless of whether either Party elects to have a representative present to observe loading, discharge, gauging and/or measurement, the Independent Inspector's certificates of quantity and quality will be binding upon the Parties, absent fraud or manifest error, provided that Buyer's or Seller's samples, if tested by the original Independent Inspector's laboratory (at such Party's request), or an additional Independent Inspector's laboratory, corroborates the Independent Inspector's quality results.

Section 8.4. Nominations.

Nominations for deliveries out of tank, into tank, book, stock, or inventory transfer must be given during normal business hours in accordance with the applicable storage company's policies and time constraints.



PART III: TERMS APPLICABLE TO ALL DELIVERIES

ARTICLE 9. PAYMENT

Section 9.1. Payment Terms.

Any payments hereunder must be made to Seller pursuant to the payment terms set forth in the Special Provisions, or if not set forth in the Special Provisions as otherwise notified by Seller. All payments must be made in US dollars without offset, discount, deduction, withholding, netting, or counterclaim by wire transfer of immediately available funds on or before the payment due date to the bank and account designated by Seller.

Section 9.2. Required Documentation.

In addition to any documentation required by Applicable Law, including product transfer documents, if applicable, or as expressly provided elsewhere under the Agreement, payment must be made by Buyer against the presentation of Seller's invoice and the following documents:

- a) FOB/CIF/CIP/CPT/CFR/DES/DAP/DAT/DDP/DPU – Vessel (US Domestic Sales) and FOB – Foreign Vessels (International Sales): Copies of Independent Inspector's report of loaded quantity and quality.
- b) CIF/CIP/CPT/CFR/DES/DAP/DAT/DDP/DPU – Foreign Vessels (International Sales):
 - i) Copies of Independent Inspector's report of loaded quantity and quality;
 - ii) Either one full set (3/3) or 2/3 original bill of lading and an owner/master/agent receipt for 1/3 original bill of lading issued or endorsed to the order of Buyer or its consignee; and
 - iii) In the event the documents referred to in items i) and ii) immediately above are not available upon presentation to Buyer on or before the payment due date, Buyer shall pay Seller upon presentation of Seller's invoice (a provisional invoice is acceptable where the provisions of Section 9.3 of these General Terms apply) and Seller's letter of indemnity in the format stipulated in Appendix B attached to these General Terms, which may be presented in the form of a fax or a .pdf file email attachment.
- c) EXW or FCA Railcar/Truck, CPT/CIP Railcar/Truck and Delivered By/Out of Railcar/Truck:
 - i) Railcar/Truck bill of lading (as applicable); and
 - ii) The certificate of quality or Independent Inspector's quality report when specifically required by the Special Provisions.
- d) Pipeline: Pipeline meter ticket or other acceptable transfer documentation evidencing inventory transfer.

e) Book/Stock/Inventory/Tank Transfer:

- i) PTO (or other acceptable transfer documentation) from the Terminal; and
- ii) The certificate of quality or Independent Inspector's quality report when specifically required by the Special Provisions.

Section 9.3. Provisional Invoicing.

Where the Parties agree or where it is otherwise not possible or practicable to issue a final invoice prior to the date payment is due, either because pricing cannot be established or because discharge quantities are not then known, Seller has the right to issue, and Buyer shall make payment upon, a provisional invoice with a price that is based upon Seller's estimate of the final price (the "**Estimated Price**"). In preparing such estimate, Seller shall take into account such pricing information as is reasonably available at the time and shall assume that outturn quantity will match the bill of lading quantity. As soon as practicable after all relevant information is available, Seller shall submit a final invoice to Buyer and i) Buyer shall immediately pay to Seller any amount by which the final invoice amount exceeds the Estimated Price, or ii) Seller shall immediately pay to Buyer any amount by which the Estimated Price received from Buyer exceeds the final invoice amount.

Section 9.4. Split Weekend Clause.

If the payment due date falls on a Sunday, or on a Monday that is not a Business Day, payment must be made in immediately available funds to Seller on the next Business Day after such payment due date. If the payment due date falls on a Saturday, or on a non-Business Day other than a Monday, payment must be made in immediately available funds to Seller on the last Business Day prior to such payment due date.

Section 9.5. Interest.

Any amount payable under the Agreement will, if not paid when due, bear interest from the payment due date until, but excluding, the date payment is received, at the Interest Rate. If a Party accepts payment from the other Party after the payment due date, such action will not waive the Party's right to receive interest and in no circumstance will it be considered as an agreement to provide extended credit. This Section should not be construed as an indication of any willingness on the part of the Party receiving payment to provide extended credit as a matter of course, and will be without prejudice to any rights and remedies which the Party receiving payment may have under the Agreement or otherwise.

Section 9.6. Netting.

With the exception of the netting specifically provided for in Article 19 of these General Terms, neither Party hereto has the right to net or set-off any payments due from it hereunder against any payments due or allegedly due to it or any of its Affiliates from the other Party or its Affiliates in connection with any separate transaction, unless and only to the extent the Parties have entered into a separate master netting agreement or similar agreement that expressly provides for such netting of payments.

Section 9.7. Facsimiles or PDF Transmission.

Invoices, certificates of quality and Independent Inspector's reports may be submitted via facsimile or a PDF file email attachment.

Section 9.8. Change of Banking Account Details.

In the event Buyer receives a request for payment to Seller to be made to a bank account that is different from the bank account set forth in the Special Provisions, Buyer shall be required to verify and re-confirm such request with Seller before any payment is made by Buyer to the bank account set out in such request.

ARTICLE 10. CREDIT

Section 10.1. Financial Responsibility.

If sufficient credit for the transactions under the Agreement is not approved by Seller's or its Affiliate's credit department, within seven (7) days before the first delivery date, or thereafter if sufficient credit has been provided and Buyer either exceeds such credit limit or Seller has reasonable grounds for insecurity as to Buyer's creditworthiness or performance hereunder, Seller may, in its reasonable discretion require Buyer to i) prepay Seller the full amount according to Seller's invoice for any deliveries of Product by wire transfer of immediately available funds at least two (2) Business Days prior to the delivery date, ii) post an irrevocable standby letter of credit that meets the requirements of Section 10.2 of these General Terms, or iii) provide some other form of credit support reasonably acceptable to Seller. In the event the above requirements have not been satisfied within the specified time limits, Seller has the option of terminating the Agreement and/or suspending its performance under the Agreement until the other Party provides such payment. Seller's delivery of Product hereunder prior to Buyer making payment or posting the letter of credit as provided above, will not operate as a waiver of Seller's rights to immediately impose the credit support obligations under this Section or at any future time prevent Seller from promptly exercising any other option, right or remedy that it may have under the terms of the Agreement. The exercise by either Party of any right reserved under this Section will be without prejudice to any claim for damages or any other right under the Agreement or Applicable Law.

Section 10.2. Letter of Credit.

In the event that Seller requires a letter of credit pursuant to Section 10.1 of these General Terms, payment will be covered by an irrevocable standby letter of credit to be issued and the original or the electronic operative instrument received by Seller not later than two (2) Business Days prior to each delivery date (or, in the case where a single letter of credit will cover multiple deliveries two (2) Business Days prior to the first delivery date), in a form acceptable to Seller and issued by an A-rated bank acceptable to Seller. Such letter of credit must be opened with sufficient value as reasonably determined by Seller to cover the aggregate volume of Product to be delivered by Seller multiplied by the aggregate value for such Product. All bank charges related to the letter of credit are for the account of Buyer. The letter of credit will not expire until thirty (30) days after the final invoice due date.

ARTICLE 11. REPRESENTATIONS AND WARRANTIES; QUALITY AND QUANTITY CLAIMS

Section 11.1. Title.

Seller represents and warrants that i) as of the date of delivery of the Product hereunder, Seller has good title to the Product sold and delivered, free and clear of any liens or encumbrances; and ii) Seller has full right and authority to transfer such title of such Product to Buyer.

Section 11.2. Product Specifications.

Product sold or transferred under the Agreement must, at the time that title passes to Buyer, conform to the specifications set forth in the Special Provisions, considering any stated tolerances. Notwithstanding anything to the contrary in the Agreement, no reference to “Typicals” or to “time of delivery” will ever form a part of the Product’s specifications or operate or be construed as a warranty of any sort. Unless otherwise specified in the Special Provisions, Product delivered by pipeline must conform to the transporting pipeline’s specifications.

Section 11.3. Disclaimer of Warranties.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NOTWITHSTANDING ANY COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE (OR LACK THEREOF) THE PROVISIONS OF SECTION 11.2 OF THESE GENERAL TERMS CONSTITUTE THE SOLE AND EXCLUSIVE OBLIGATIONS OF SELLER WITH RESPECT TO THE SPECIFICATIONS, DESCRIPTION, QUALITY, CONDITION OR FITNESS OF THE PRODUCT, AND, EXCEPT FOR THOSE STATED IN THE AGREEMENT, SELLER MAKES NO OTHER AND EXPRESSLY DISCLAIMS ALL OTHER REPRESENTATIONS, GUARANTEES, ASSURANCES, CONDITIONS AND/OR WARRANTIES, EXPRESS OR IMPLIED INCONSISTENT HERewith, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND ANY IMPLIED CONDITIONS OF SATISFACTORY QUALITY OR FITNESS FOR PURPOSES, AS OTHERWISE APPLICABLE.

Section 11.4 Quality and Quantity Claims.

With the exception of RINs, any claim regarding the quality or quantity of any Product delivered will be waived unless submitted to Seller in writing, together with supporting documentation and reasonable details of the facts on which the claim is based, within sixty (60) days from the date of delivery. The delivery date will be determined by the bill of lading or other shipping document as appropriate for the delivery method. Notwithstanding the foregoing, no claim will be admitted in respect of any deficiency of quantity where the difference between the loaded and discharged quantity is three tenths of a percent (0.3%) of the loaded quantity or less.

ARTICLE 12. TAXES AND FEES; CUSTOMS

Section 12.1. Payment and Administrative Responsibilities.

- a) Unless otherwise specifically provided in the Agreement: i) Seller shall be liable for all Taxes with respect to the Product delivered hereunder, the taxable incident of which occurs before the transfer of title to the Product to Buyer; ii) Buyer shall be liable for all Taxes with respect to the Product delivered hereunder, the taxable incident of which occurs after transfer of title to the Product to Buyer; and iii) all Taxes the taxable incident of which is the transfer of title, regardless of the character, method of calculation or measure of the levy or assessment, will be paid by the Party upon which the Tax is imposed by the applicable taxing authority; provided, however, if such Taxes are payable by Seller, Buyer shall promptly reimburse Seller upon demand.
- b) With respect to rack sales of any Product, all Taxes, and all increases thereon, which are now or hereafter imposed, levied or assessed directly or indirectly by any Governmental Authority on or as a result of the transfer or sale contemplated by the Agreement is strictly for Buyer's account and will, if collectible or payable by Seller, be paid or reimbursed by Buyer on demand by Seller, and incorporated as an additional charge on Seller's invoice. **BUYER SPECIFICALLY AGREES TO HOLD SELLER HARMLESS FROM, AND INDEMNIFY SELLER AGAINST, ANY SUCH IMPOSTS, INCLUDING ANY INTEREST AND PENALTIES THEREON.** If Buyer claims exemption from any of the above imposts, then Buyer must furnish Seller with a properly completed and executed exemption certificate, in the form and within the time limit prescribed by the appropriate taxing authority.
- c) Buyer shall be responsible and liable, whether by payment, reimbursement, or otherwise, for all Fees and amounts equivalent to any Fees.
- d) With respect to any Product imported into the US or a foreign jurisdiction, the importer of record set forth in the Special Provisions shall be responsible for all import arrangements and customs requirements, including all Taxes, duties, fees and related costs in respect of importing the Product.

Section 12.2. Tax Reimbursement.

To the extent a Party (herein referred to as "**Party X**") is required by Applicable Law or otherwise under the Agreement to pay or remit certain Taxes on behalf of the other Party (herein referred to as "**Party Y**") or Party X otherwise pays Taxes for which Party Y is liable, Party Y shall reimburse Party X to the extent Party X paid such Taxes. Party Y's reimbursements of Taxes to Party X will be grossed up as necessary to return to Party X, after payment of any Taxes thereon, the amount actually paid by Party X. A Party is not responsible for any penalties or interest related to the obligations of the other Party in respect of Taxes to the extent such penalties or interest accrue based on the actions or inactions of the other Party.

Section 12.3. Property Taxes.

If any ad valorem, personal property or similar Taxes are assessed against Product sold hereunder, the Party having title to the Product at the time such tax liability is assessed shall be responsible for all administrative compliance and payment of such Taxes.

Section 12.4. Tax Withholding.

- a) Each Party shall provide to the other Party a properly executed IRS Form W-8 or W-9, or such equivalent form as may be appropriate under Applicable Law to enable the recipient to determine if it must withhold any Taxes from payments made by it hereunder. Such forms must be delivered upon the execution of the Agreement and subsequently if the information in such form becomes materially inaccurate or such form expires or becomes obsolete. Each Party further agrees to promptly deliver to the other Party any other tax form or certificate reasonably requested by the other Party, including certifications of federal and state registration.
- b) Each Party shall use all reasonable efforts to reduce required tax withholding on payments made to the other Party hereunder. Notwithstanding such efforts, if payor reasonably concludes that tax withholdings under Applicable Laws are required with respect to payments made hereunder, it shall withhold the required amount and pay it to the appropriate Governmental Authority, and shall promptly provide the other Party with original receipts or other evidence reasonably required and sufficient to allow the other Party to document such tax withholdings adequately for purposes of claiming foreign tax credits and similar benefits.

Section 12.5. VAT and Excise Duty – UK and EU Sales.

- a) VAT. Where VAT becomes payable under the rules applicable at the Load Port, VAT will be payable by Buyer at the standard rate. Seller shall issue a valid VAT invoice to charge any applicable VAT. However, for intra-EU movements, VAT will not be payable if prior to completion of loading Buyer has advised Seller in writing of Buyer's VAT registration number valid in a member state of the EU other than that of the country of loading. Buyer shall also confirm that the Product will be discharged in a country other than country of loading and provide to Seller sufficient information to demonstrate under the rules of the relevant tax authority that VAT is not applicable. If excise duty is also payable, VAT will be calculated on the basis of the duty inclusive Product value.
- b) Excise Duty and Intra-EU Movements. Excise duty will be payable at the rate applicable at the Load Port on the bill of lading quantity of Product. However, duty will not be payable if, in accordance with the rules for Excise Movement and Control System ("**EMCS**") under Council Directive 2008/118/ EEC, Buyer provides one of the following prior to the Vessel loading:
 - i) the trader excise number (tax warehouse-keeper registration number and warehousekeeper's address) that Buyer intends to use at the destination location, and the excise warehouse number and address at the destination location; or
 - ii) the registered consignee's name, registration number and address.

For information provided per clause i) or ii) immediately above, Seller shall validate such information on the European System for the Exchange of Excise Data (SEED) database. In the event Buyer fails to provide on a timely basis valid information for the Product being sold hereunder, all resulting costs, including but not limited to duty and Demurrage charges, will be for the account of Buyer.

Any change of Discharge Port must be notified to Seller as soon as practicable. In the event the Vessel has already sailed from the Load Port, then any change(s) to the Discharge Port must be advised before the Vessel discharges the Product in order for a “change of delivery” notification to be completed on EMCS by Seller. Any Taxes arising as a result of failure by Buyer to comply with the foregoing will be for the account of Buyer.

- c) Export Outside the EU or UK. Subject to Applicable Law, VAT will not be applicable if Buyer intends to export the Product outside of the EU or the UK and provides Seller with timely evidence of export as required under the rules applicable at the Load Port. Where the Product sold under the Agreement is to be exported and discharged outside of the UK or EU, Buyer shall ensure that no part is re-landed in the UK or EU. Furthermore, Buyer warrants that any onward receiver of the whole or any part of the Product strictly complies with this undertaking. Buyer covenants and agrees to fully defend, protect, indemnify and hold Seller harmless from and against each and every claim and demand, for any liability, cost, expense, duty, tax or penalty (including reasonable legal fees and expenses incurred in defense of Seller), which may be made or asserted by HM Revenue & Customs or any other EU Governmental Authority or EU member state on account of the Product or any part thereof being re-landed in the UK or EU without being discharged first at a port outside the UK or EU. In the event that Buyer fails to timely provide any information reasonably required by Seller in order to comply with applicable UK or EU laws and regulations governing VAT, excise taxes and customs, all resultant costs including VAT and/or other Taxes will be for the account of Buyer.

Section 12.6. Exemptions.

In the event there is an eligible exemption from the imposition of Taxes under Applicable Law, Buyer will provide Seller with the applicable documentation necessary to perfect the exemption. If Buyer does not furnish such exemption documentation or the Agreement is subject to tax under Applicable Law, upon receipt of Seller’s invoice, **BUYER SHALL REIMBURSE AND INDEMNIFY SELLER FOR ALL TAXES PAID OR INCURRED BY SELLER, TOGETHER WITH ALL PENALTIES AND INTEREST THEREON.** Buyer’s obligation to reimburse Seller includes any Taxes that Seller is assessed due to subsequent discovery of taxability or under audit by any taxing authority until expiration of the relevant statute of limitations.

Section 12.7. Excise Taxes on Product Delivered on Two Party Exchanges.

If Seller is the “**Position holder**” as defined in Federal Tax Regulation § 48.4081-1 (Treas. Reg. § 48.4081-1) or otherwise deemed to be a position holder under other Applicable Law in a Terminal where Buyer receives fuels on exchange under the Agreement, Seller shall treat Buyer as the Person that removes the fuel across the Terminal rack for purposes of reporting the transaction to the IRS or applicable taxing authority. If Seller delivers fuels on exchange under the Agreement from a Terminal where Seller is the Position holder, Seller shall use commercially reasonable efforts to cause the Terminal operator of such Terminal(s) to treat Buyer as the Person that removes the fuel across the Terminal rack for purposes of reporting the transaction to the IRS or applicable taxing authority. Buyer shall be directly liable for payment of all Taxes imposed on the removal of taxable fuels from any Terminal rack where Buyer is treated as the Person that removes the fuel across the Terminal rack.

Section 12.8. Duty Drawback.

Buyer and Seller acknowledge and agree that Seller retains all Drawbacks that may arise under the Agreement. As a result, Buyer (a) expressly disclaims any such Drawbacks and agrees not to use any transactions under the Agreement for any Drawback claim; and (b) as required under Applicable Law, specifically US duty drawback laws and regulations, shall (i) convey, transfer, assign, or otherwise provide any such Drawbacks to Seller and perform any actions, as necessary, to cause the same to occur, (ii) provide Seller with all necessary documents to support the filing of all Drawback claims resulting from the Agreement, and (iii) maintain necessary documents to support such Drawback claims for the applicable record retention period.

Section 12.9. Importer of Record.

For any international sales or cross-border Transactions, the importer of record must be set forth in the Special Provisions and shall be subject to the obligations set forth in Section 12.1(c) of these General Terms.

Section 12.10. Certificates of Origin.

When Seller is designated the exporter of record or the United States Principal Party in Interest (USPPI) of Product sold hereunder, Seller shall provide Buyer with a certificate of origin (chamberized, where applicable). Seller shall also endeavor, on a commercially reasonable basis, to provide Buyer with additional certificates of origin as required under the various special-trade programs and/or free trade agreements to which the US, UK, Canada, Mexico, and/or Peru is a signatory or member party (e.g., USMCA, US-Chile FTA, etc.) so that Seller can qualify such Product under such programs' individual rules of origin.

Section 12.11. Exporter of Record.

For any international sales or cross-border Transactions, the exporter of record must be set forth in the Special Provisions and shall be responsible for all export arrangements and customs requirements, including export classification.

Section 12.12. Routed Export Transaction.

- a) If the Transaction between the Parties is a “**Routed Export Transaction**”, as that term is defined in the Foreign Trade Regulations, 15 C.F.R. Part 30, and Seller has been designated as “Exporter of Record” pursuant to the Agreement, then Buyer hereby authorizes Seller, including Seller’s agent, to act as the authorized agent for the purpose of completing and filing the EEI in the US Census Bureau’s Automated Export System as required by Applicable Law in connection with the exportation and/or transportation of the Product by or on behalf of Buyer. Buyer certifies that all necessary and proper documentation and/or information to accurately transmit the EEI has been or will be provided, prior to export, to Seller or Seller’s agent. Buyer further acknowledges that civil and/or criminal penalties may be imposed for making fraudulent statements or for the violation of any Applicable Law related to the exportation of the Product and agrees to be bound by all statements of said authorized agent based upon information or documentation provided by Buyer to Seller.

- b) Buyer shall comply with all Applicable Laws, including those of the USCBP, the US Department of Commerce's Bureau of Industry and Security, and all Sanction Laws, including those relating to reporting, filing, recordkeeping, and any export license conditions or requirements. **BUYER SHALL INDEMNIFY AND HOLD HARMLESS SELLER FROM ALL LOSSES ARISING FROM OR IN CONNECTION WITH BUYER'S FAILURE TO COMPLY WITH THIS SECTION.**

Section 12.13. Destination/Export.

To the extent indicated in the Special Provisions that the Product is intended to be exported by Buyer outside the Product's country of origination, Buyer represents and warrants that the Product is intended to, and covenants that the Product will, be exported and has an ultimate destination outside the Product's country of origination. Upon Seller's request, Buyer shall promptly (a) deliver to Seller documents demonstrating that the Product was exported and had a final destination outside the Product's country of origination, including any export or customs documents and any other documents reasonably requested by Seller; or, at Seller's discretion, (b) submit to Seller, or cause the ultimate exporter of the Product to submit to Seller, a written and signed certification (in a form reasonably acceptable to Seller) from an officer of Buyer or such ultimate exporter, as applicable, declaring that the Product was exported and had a final destination outside the Product's country of origination. In the event Buyer breaches any of the representations and warranties or covenants set forth in this Section or fails to perform or breaches any of its obligations in provisions (a) or (b) immediately above, as applicable, then **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, BUYER SHALL PROTECT, DEFEND, INDEMNIFY AND HOLD SELLER HARMLESS FROM AND AGAINST ALL LOSSES CAUSED BY, ARISING OUT OF, OR RESULTING FROM SUCH BREACH OR FAILURE TO PERFORM BY BUYER.**

ARTICLE 13. FORCE MAJEURE

Section 13.1. Force Majeure Events.

"Force Majeure" means any cause or event reasonably beyond the control of a Party. Examples of Force Majeure include: act(s) of God; perils of the sea; fire; delay of the Vessel arising from breakdown or adverse weather; accidents at, closing of, or restrictions upon the use of mooring facilities, docks, ports, pipelines, harbors, railroads, or other navigational or transportation mechanisms, if not caused or contributed to by the fault or negligence of the Party claiming force majeure; natural disasters (such as violent or sustained storms, hurricanes, cyclones, derechos, earthquakes, tidal waves, floods, high-water events, destruction by lightning); considerable cold or heat; war (declared or undeclared); epidemics or pandemics; quarantines; military operations; blockade; revolution; riots, cyber event; acts of piracy; acts of sabotage; disruption or breakdown of, explosions or accidents at or to, or refusal to provide services with respect to, wells, storage plants, refineries, pipelines, terminals, machinery, or other facilities; trade restrictions; strikes, lockouts, or a dispute or difference with workers; labor shortages; good faith compliance with any guidance, guidelines, instruction, orders, or actions, whether voluntary or involuntary, of any Government Authority, or by any Person purporting to represent a government; any reduction in, failure or refusal to deliver supplies of Product or the raw materials or energy used to manufacture such Product from Seller's sources of supply,

whether lawful or otherwise; or any other cause of a similar nature as described herein not reasonably within the control of the respective Parties. The term “Force Majeure” expressly excludes a Party’s inability to economically perform its obligations under the Agreement.

Section 13.2. Effect of Force Majeure.

Neither Party shall be liable to the other Party if it is delayed, hindered, interfered with, curtailed, prevented or rendered unable by an event of Force Majeure from performing in whole or in part any obligation or condition under the Agreement (except for any payment and indemnification obligations), for so long as the event of Force Majeure exists and to the extent that performance is hindered by the event of Force Majeure; provided, however, that the Party unable to perform shall use commercially reasonable efforts to mitigate and overcome the event of Force Majeure. Notwithstanding the foregoing, i) no Party will be compelled to resolve any strikes, lockouts or other industrial disputes other than as it shall determine to be in its best interests, and ii) Seller will not be compelled to purchase supplies or similar product to make good any shortages arising as a result of Force Majeure and the possibilities of purchasing such supplies or similar products will not be taken into account in determining whether there was a delay, hindrance, interference, curtailment, prevention or inability to perform. During the period that a Party’s performance of its obligations under the Agreement has been suspended in whole or part by reason of an event of Force Majeure, the other Party likewise may suspend the performance of all or part of its obligations to the extent that such suspension is commercially reasonable, except for any payment and indemnification obligations arising prior to the occurrence of such Force Majeure event. Demurrage shall not accrue during a Force Majeure event or during its aftermath while the adversely affected Party’s performance remains hindered.

Section 13.3. Notice.

If the event a Force Majeure delays, hinders, interferes with, curtails, prevents or renders unable either Party, in whole or in part, to carry out its obligations under the Agreement, such Party may avail itself of its rights under this Article 13 of these General Terms by giving the other Party notice and reasonable detail in writing as soon as practicable under the circumstances after the occurrence of the causes relied upon, or give notice by telephone and follow such notice with a written confirmation by email or pursuant to Article 24 of these General Terms. Delay or failure to comply with this Section shall not deprive a Party of the right to claim relief under this Article but may make such Party liable in damages to the other Party for loss which otherwise could reasonably have been avoided.

Section 13.4. Termination.

In the event that the period of total suspension due to a Force Majeure event continues in excess of thirty (30) consecutive days from the date that notice of such event is given, and so long as such event is continuing, either Party, in its sole discretion, may terminate the obligations of the affected transaction, or transactions if there is more than one affected transaction, under the Agreement by written notice to the other Party, and neither Party shall have any further liability to the other Party in respect of such obligations of the affected transaction or transactions except for the rights and remedies previously accrued.

Section 13.5. Frustration of Purpose.

Nothing in this Article 13 is to be interpreted to limit or prevent the operation of the common law doctrine of frustration of purpose under the laws governing the Agreement.

ARTICLE 14. ALLOCATION

If Seller does not have sufficient supplies of Product to meet the supply obligations under the Agreement and its other product supply obligations, irrespective of the cause or foreseeability of any shortage, then Seller may allocate its available supplies of Product on any basis which in Seller's sole judgment is fair and reasonable including an allocation based on historical or planned deliveries. The shortage creating the need to allocate may be based on any of the following non-exclusive causes: an event of Force Majeure; an actual shortage of Product; a partial or total interruption or loss or shortage of transportation facilities or supplies of Product; a shortage in a contemplated source of supply of Product; a general shortage in Seller's product supply system (including the supply system of Seller's Affiliates); or shortage in the raw materials used to manufacture such Product. Seller shall have no obligation to make up any shortage resulting from an allocation hereunder or be compelled to purchase supplies or similar product to make good any shortage. Furthermore, the Agreement should not be construed in any way to require Seller to purchase Product from an Affiliate of Seller or another third party to supply any or all of the contract volume hereunder.

ARTICLE 15. HAZARD WARNING RESPONSIBILITY

Seller shall provide to Buyer upon request a Safety Data Sheet for each Product covered by the Special Provisions. Buyer acknowledges that there may be hazards associated with the loading, unloading, transporting, handling or use of the Product, which may require that warnings be communicated to or other precautionary action taken with all Persons handling, coming into contact with, or in any way concerned with the Product. Buyer assumes as to its employees, independent contractors and subsequent purchasers of the Product all responsibility for all such necessary warnings or other precautionary measures relating to hazards to Person and property associated with the Product and, furthermore, **BUYER SHALL DEFEND (WITH COUNSEL ACCEPTABLE TO SELLER), INDEMNIFY FULLY AND HOLD HARMLESS SELLER AND ITS AFFILIATES AND THEIR RESPECTIVE AGENTS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, SUCCESSORS AND ASSIGNS FROM AND AGAINST ALL LOSSES ARISING OUT OF OR IN ANY MANNER RELATED TO BUYER'S FAILURE TO PROVIDE NECESSARY WARNINGS OR OTHER PRECAUTIONARY MEASURES IN CONNECTION WITH THE PRODUCT.** Compliance with any recommendation contained in the Safety Data Sheet or other safety information does not excuse Buyer from complying with Applicable Law.

ARTICLE 16. COMPLIANCE WITH APPLICABLE LAW

Section 16.1. Compliance Generally.

Seller and Buyer each agree to comply fully in the performance of the Agreement with all Applicable Laws.

Section 16.2. RBOB.

In the event RBOB is purchased or sold under the Agreement, the Parties shall comply with all Applicable Laws related to RBOB, including, when applicable, EPA regulations found at Sections 80.65 through 80.89 at 40 C.F.R. Specifically, Buyer represents and warrants that it is an EPA registered oxygenate blender or that Buyer is an “**intermediate owner**” as that term is used in 40 C.F.R. 80.69(a)(5) and will transfer RBOB purchased under the Agreement only to an EPA registered oxygenate blender. Pursuant to 40 C.F.R. 80.69(a)(6), Buyer shall, if an oxygenate blender, or if Buyer is an intermediate owner require the oxygenate blender, to: (a) blend Seller’s RBOB with oxygenate in accordance with Seller’s written instructions regarding the proper oxygenate type and amount of oxygenate; (b) conduct (and allow Seller to conduct) quality assurance, sampling and testing as required in 40 C.F.R. Part 80; and (c) stop selling any gasoline found to not comply with the standards under which the RBOB was produced or imported.

Section 16.3. Toluene.

Where the Product is toluene, Buyer hereby represents and warrants that Buyer shall not use, sell or otherwise supply, directly or indirectly, the Product in the manufacture, production, formulation or blending of pesticides or pesticide products. Buyer hereby agrees to require substantially the same representation set forth in the preceding sentence from all customers and other parties to whom Buyer sells, provides and/or distributes the Product, or any other Person to Buyer’s knowledge that may in the course of doing business, use, maintain or obtain the Product, where such Product was originally purchased from Seller.

Section 16.4. REACH Compliance.

If the Product purchased under the Agreement is to be imported into the EU or into the UK, then each Party agrees and undertakes to the other in connection with the Agreement that it shall comply with its respective obligations under the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulations (EC) No. 1907/2006 or under the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulations (EC) No. 1907/2006, as incorporated into domestic (UK) legislation pursuant to section 3(1) of the European Union (Withdrawal) Act 2018, as applicable.

Section 16.5. Low Carbon Fuel Requirements Program Obligation for Bulk Deliveries of Product.

- a) Obligation Transferred. If, with respect to a certain bulk delivery of Product as identified below, the applicable Low Carbon Fuel Requirements Program allows (e.g., the California LCFS Program) and the Agreement provides that the regulated entity status or similar type entity status under such program (“**Regulated Status**”) is to be transferred from Seller to Buyer, then Buyer shall for all intents and purposes have such Regulated Status for purposes of such Product and the following will apply:
 - i) For applicable non-renewable Product under an applicable Low Carbon Fuel Requirements Program (e.g., CARBOB and/or CARB diesel under the California LCFS Program), Seller agrees to transfer, and Buyer agrees to receive, such program compliance obligation with respect to its Regulated Status for such Product in accordance with Applicable Law and the terms of the Agreement. Further, Seller shall provide to Buyer a product transfer document that indicates A)

that Seller, as the transferor of such Product, has elected to transfer to Buyer the compliance obligation with respect to its Regulated Status for such Product, and B) the carbon intensity of such Product. Without limiting the foregoing and to the extent applicable under such Low Carbon Fuel Requirements Program, Buyer shall also be responsible in all respects for the base deficit obligation and incremental deficit obligation with respect to such Product.

- ii) For applicable renewable Product under an applicable Low Carbon Fuel Requirements Program (e.g., ethanol under the California LCFS Program), Seller agrees to transfer, and Buyer agrees to receive, such program compliance obligation with respect to its Regulated Status for such Product in accordance with Applicable Law and the terms of the Agreement. Further, Seller shall provide to Buyer a product transfer document that indicates A) that Seller, as the transferor of such Product, has elected to transfer to Buyer the compliance obligation with respect to its Regulated Status for such Product, B) the carbon intensity of such Product, C) the facility number where such Product was manufactured, D) the applicable fuel pathway for such Product, and E) the physical pathway for such Product.
- b) Obligation Retained. If, with respect to a certain bulk delivery of applicable Product under an Low Carbon Fuel Requirements Program, the Agreement provides that the Regulated Status is to be retained by Seller under such program, then Seller shall retain such Regulated Status for purposes of such Product and Seller shall provide to Buyer a product transfer document that indicates A) that Seller, as the transferor of such Product, will retain the Regulated Status and such program compliance obligation for such Product, and B) the carbon intensity of such Product.

ARTICLE 17. NEW OR CHANGED APPLICABLE LAWS

If at any time after the Agreement is entered into, any Applicable Laws are changed or any new Applicable Laws come into effect or are due to become effective, whether because of or as a result of any Applicable Laws or by response to the insistence or request of any Governmental Authority or any Person purporting to act therefor, and if the impact thereof will materially and adversely impact Seller, then Seller has the option, by written notice to Buyer, to request a good faith renegotiation of the affected provisions of the Agreement so as to eliminate or minimize as much as possible the impact of such changed or new Applicable Laws on Seller. If Buyer fails or refuses to negotiate with Seller in good faith, or if the Parties are unable to agree upon changes to the Agreement, within fifteen (15) days after Buyer's receipt of Seller's notice under this Section, Seller has the right to terminate the Agreement immediately at the end of such fifteen (15) day period. Any Product sold prior to such termination will be sold in accordance with the Agreement without adjustment in regard to such new or changed Applicable Laws.

ARTICLE 18. DEFAULT; REMEDIES

Section 18.1. Default.

A Party will be in default hereunder (such events hereinafter defined as an “**Event of Default**”) if: a) such Party fails to make any required payment under the Agreement when due; b) such Party, or such Party's Credit Support Provider, fails to satisfy the credit support requirements agreed between the Parties pursuant

to the Agreement or such credit support expires, terminates, or is no longer in full force and effect for the Agreement (if such failure is not remedied within one (1) Business Day after written notice of such failure is given to the Party); c) such Party fails to comply with any material term, provision or covenant of the Agreement (other than the preceding clauses a) and b) immediately above); d) such Party, or such Party's Credit Support Provider, is dissolved, other than pursuant to a consolidation, amalgamation or merger; e) such Party, or such Party's Credit Support Provider, becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; f) such Party, or such Party's Credit Support Provider, makes a general assignment, arrangement or composition with or for the benefit of its creditors; g) such Party, or such Party's Credit Support Provider, commences, institutes or has instituted or commenced against it a case or proceeding seeking a bankruptcy or judgment of insolvency or seeks or has sought against it any other relief or order for relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or a petition is presented for its winding-up or liquidation; h) such Party, or such Party's Credit Support Provider, has a resolution passed for its winding-up, official management or liquidation, other than pursuant to a consolidation, amalgamation or merger; i) such Party, or such Party's Credit Support Provider, seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for all or substantially all of its assets; j) such Party, or such Party's Credit Support Provider, has a secured party take possession of all or substantially all of its assets, or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets; k) such Party, or such Party's Credit Support Provider, files an answer or other pleading admitting or failing to contest the allegations of a petition filed against it in any proceeding of the foregoing nature; l) to the extent the transaction under the Agreement involves RINs, the Initiated RINs accepted by Buyer are or become invalid for purposes of the RFS Program; or m) such Party's Credit Support Provider, takes any other action to authorize any of the actions set forth above.

Section 18.2. Remedies.

- a) In an Event of Default hereunder, the non-defaulting Party may, without prejudice to any other rights or remedies available to it under Applicable Law (but subject to the limitations on a Party's liability expressly set forth in the Agreement), terminate the Agreement upon notice to the defaulting Party. Such termination will be without prejudice to the rights and obligations of the Parties that accrued under the Agreement prior to such termination.
- b) Where an Event of Default has occurred with respect to Buyer, Seller may also elect to suspend all deliveries hereunder, and in such event: i) so long as the Event of Default is continuing, Seller may at any time after suspending delivery elect to terminate the Agreement; and ii) if Seller later elects to resume deliveries, Seller may elect to treat as canceled any and/or all deliveries that it did not make during the suspension period, and in such event Seller has no obligation to make up the quantity of any Product not delivered as a result of the suspension.

- c) Where an Event of Default has occurred with respect to Buyer, Seller may, without prejudice to any other rights or remedies available to it under Applicable Law also elect to exercise any or all remedies available to it under Article 19 of these General Terms, which election and exercise of any such remedies will be without prejudice to the rights and obligations of the Parties that accrued under the Agreement prior to or after such election and exercise.

ARTICLE 19. TERMINATION AND LIQUIDATION

The Parties acknowledge that the Agreement is a “**Forward Contract**” as defined in the US Bankruptcy Code (11 USC Sec. 101 (25)) and the Parties acknowledge they are “**Forward Contract Merchants**” as defined in the US Bankruptcy Code (11 USC Sec.101 (26)). If one Party i) commences a case in bankruptcy or a reorganization or seeks a receivership, or a creditor of such Party commences an involuntary bankruptcy case or a reorganization or seeks a receivership, ii) becomes insolvent or incapable of paying its debts as they become due, or iii) makes a general assignment for the benefit of creditors, the other Party (the “**Liquidating Party**”) has the immediate right, exercisable in its sole discretion, to liquidate and/ or terminate the Agreement and all other forward contracts (as provided by, but not limited to, Section 556 of the Bankruptcy Code) then outstanding between the Parties (whether the Liquidating Party is Seller or Buyer thereunder) by netting and closing out all such contracts at the then current market prices so that each contract being liquidated is terminated except for the settlement payment referred to below. The Liquidating Party shall calculate the difference, if any, between the price specified in each contract so liquidated, and the market price for the relevant commodity as of the date of liquidation (as determined by the Liquidating Party in any commercially reasonable manner), and aggregate or net such settlement payments, as appropriate, to a single liquidated amount. Payment of said settlement payment will be due and payable within one (1) Business Day after reasonable notice of liquidation. The liquidation, netting, and close-out of the Agreement and all other forward contracts is in addition to any other rights and remedies which the other Party may have under Applicable Law.

ARTICLE 20. INDEMNITY

ONCE TITLE TO AND RISK OF LOSS ASSOCIATED WITH THE PRODUCT PASSES TO BUYER AS PROVIDED FOR HEREIN, THEN AS BETWEEN BUYER AND SELLER, BUYER SHALL BE SOLELY RESPONSIBLE AND LIABLE FOR, AND SHALL RELEASE, DEFEND (UPON SELLER’S REQUEST), INDEMNIFY, AND HOLD SELLER, AS WELL AS SELLER’S AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND CONTRACTORS, HARMLESS FROM AND AGAINST ALL LOSSES CAUSED BY, RESULTING FROM, OR OTHERWISE ASSOCIATED WITH A) THE RELEASE, SPILL, OR DISCHARGE OF ANY PRODUCT INTO THE ENVIRONMENT, INCLUDING ANY RELATED LOSS OR DESTRUCTION OF, OR DAMAGE TO, ANY PROPERTY, OR ANY INJURY TO OR DEATH OF ANY INDIVIDUAL OR MARINE LIFE, AND B) THE REMEDIATION, CLEAN-UP, REMOVAL, OR DISPOSAL OF ANY SUCH PRODUCT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER OR SELLER’S AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR CONTRACTORS. THE PARTIES TO THE AGREEMENT HEREBY EXPRESSLY, INTENTIONALLY, KNOWINGLY AND WILLINGLY WAIVE AND DISCLAIM THE APPLICABILITY OF TEXAS CIVIL PRACTICE & REMEDIES CODE SECTION 82.002 TO THE

AGREEMENT AND THE PURCHASES AND SALES MADE HEREUNDER, AND HEREBY RELINQUISH ALL RIGHTS WHICH THEY MAY HAVE UNDER THAT STATUTE.

ARTICLE 21. CHOICE OF LAW; JURISDICTION

Except as otherwise provided herein, any controversy, cause of action, dispute or claim arising out of, relating to, or in connection with the Agreement, or the breach, termination or validity thereof, will be governed by the substantive and procedural laws (excluding any conflict-of-laws rules or principles which may refer the laws of the State of Texas to the laws of another jurisdiction) of the State of Texas. The Parties specifically agree that the sole jurisdiction for any claims is in the State or Federal courts having jurisdiction thereof located in Harris County, Texas.

The United Nations Convention on Contracts for the International Sale of Goods does not in any way apply to or govern the Agreement or any transaction under the Agreement.

ARTICLE 22. LIMITATION OF LIABILITY

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE AGREEMENT: A) EXCEPT WITH RESPECT TO ANY INDEMNIFICATION OBLIGATIONS SET FORTH HEREIN, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL LOSSES OR DAMAGES, LOST PROFITS (WHETHER DIRECT OR INDIRECT), LOST OPPORTUNITIES, LOST CONTRACTS, LOST PRODUCTION, LOSS OF USE, LOSS OF GOODWILL, OR ANY SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, WHETHER OR NOT FORESEEABLE, WHICH ARISE OUT OF OR RELATE TO THE AGREEMENT, THE PERFORMANCE OR BREACH HEREOF, OR DEMURRAGE, WHETHER ARISING IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE; AND B) SELLER'S LIABILITY WITH RESPECT TO THE AGREEMENT OR ANY ACTION WHICH ARISES OUT OF OR RELATES TO THE AGREEMENT OR THE PERFORMANCE OR BREACH HEREOF, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, WILL NOT EXCEED THE PRICE OF THE PRODUCT (OR PORTION THEREOF) WITH RESPECT TO WHICH SUCH LIABILITY AROSE LESS THE SALVAGE VALUE OF THE PRODUCT. NOTHING IN THIS ARTICLE PRECLUDES OR OTHERWISE IMPAIRS SELLER'S ABILITY TO INITIATE LEGAL ACTION AGAINST BUYER TO RECOVER THE PURCHASE PRICE OF THE PRODUCT SOLD TO BUYER BY SELLER IN THE EVENT BUYER FAILS TO FULLY PAY FOR THE PRODUCT AS AGREED HEREUNDER.

ADDITIONALLY, WITH RESPECT TO ANY CLAIMS RELATING TO SELLER'S FAILURE TO DELIVER THE AGREED QUANTITY OF PRODUCT, IN NO EVENT WILL SELLER BE LIABLE FOR MORE THAN THE DIFFERENCE BETWEEN THE PRICE SPECIFIED IN THE AGREEMENT AND THE MARKET PRICE OF SUCH PRODUCT MULTIPLIED BY THE QUANTITY NOT DELIVERED. WITH RESPECT TO ANY CLAIMS RELATING TO VARIATION IN QUALITY FROM THE PRODUCT SPECIFICATIONS, IN NO EVENT WILL SELLER BE LIABLE FOR MORE THAN THE DIFFERENCE BETWEEN THE PRICE SPECIFIED IN THE AGREEMENT AND THE MARKET PRICE OF THE PRODUCT AS ACTUALLY DELIVERED MULTIPLIED BY THE QUANTITY OF SUCH NON-CONFORMING PRODUCT.

Further, and without limiting any shorter time limitations set out in the Agreement with respect to specific matters (such as, but without limitation, time limits for submission of Demurrage claims and claims relating

to quantity and/or quality), any actions to enforce any rights or obligations under the Agreement must be filed in court against the other Party no later than one (1) year after the date on which the alleged breach of the Agreement occurred failing which, to the fullest extent permitted under Applicable Law, they will be time barred.

ARTICLE 23. SANCTIONS; TRADE CONTROLS & BOYCOTTS; ANTI-BRIBERY AND ANTI-MONEY LAUNDERING; CONDUCT GUIDELINES

Section 23.1. Sanctions; Trade Controls & Boycotts.

- a) Buyer and Seller each warrants to the other that its performance under the Agreement will comply with all Sanctions Laws.
- b) The Parties agree that the Product purchased and sold under the Agreement will not, directly or indirectly, be acquired from, sold, transferred, or delivered to or through any Person, country, or territory in contravention of any Sanctions Laws.
- c) Buyer shall, upon the request of Seller, provide Seller with appropriate documentation for the purposes of verifying that the final destination and ultimate consignee of any delivery hereunder within five (5) Business Days of the date of discharge of the shipment or within such lesser period if necessary to enable Seller to comply with any governmental requirement or request.
- d) The obligations of Buyer to comply with the above requirements will not be affected by any sale or disposal of the Product in question by Buyer.
- e) If a Party fails (i) to comply with any of the provisions of this Section (or gives the other Party reasonable grounds to believe it is in breach of the provisions of this Section) or (ii) to cooperate with the other Party by providing upon request such other Party with reasonable documentation demonstrating compliance with this Section, then the other Party has the right (without prejudice to any other rights and/or remedies under the Agreement) to immediately terminate the Agreement, suspend receipts or deliveries, as applicable, under the Agreement, and/or, if such other Party is the Seller, then dispose of any undelivered Product under the Agreement in such manner as Seller deems appropriate.
- f) Notwithstanding the foregoing in this Section, nominated Vessels that are not in compliance with Sanctions Laws are subject to the provisions of Section 3.4, Section 4.4, or Section 5.4, as applicable, of these General Terms.
- g) Notwithstanding anything to the contrary herein, nothing in the Agreement should be interpreted or applied so as to induce or require a Party or any of its Affiliates to take, or to refrain from taking, any action in connection with the Agreement that is inconsistent with or would be in violation of US, UK, or Canadian laws, regulations, or requirements applicable to such Party which relate to anti-money laundering, foreign trade or export controls, sanctions, embargoes or international boycotts of any kind whether such are imposed by law, regulation, decree, or instruction of any Governmental Authority or Person purporting to act therefor.

Section 23.2. Anti-Bribery and Anti-Money Laundering.

- a) Notwithstanding anything to the contrary herein, Buyer and Seller each agree to comply with, and use reasonable efforts to ensure that any third parties used by them to fulfill the Parties' respective obligations under the Agreement will comply with all Applicable Laws relating to anti-bribery, anti-corruption, and anti-money laundering applicable to any of the Parties or their Affiliates, including the US Foreign Corrupt Practices Act, the UK Bribery Act, the Canadian Corruption of Foreign Public Officials Act, the Peruvian Anti-Corruption Law No. 30424, and any other Applicable Law implementing the Organisation for Economic Co-operation and Development's Convention for Combating Bribery of Foreign Public Officials in International Business Transactions (collectively, the "**Anti-Bribery Laws**").
- b) No director, officer, employee or legally authorized agent of either Party will give or receive any commission, fee, rebate, kickback, lavish gift or entertainment, or other things of significant cost or value to any director, officer, employee, or agent of the other Party in connection with the Agreement.
- c) Each Party's financial settlements, billings and reports made in connection with the Agreement must accurately, fairly and in reasonable detail reflect the relevant transactions in each Party's books and accounts.
- d) In connection with the performance of the Agreement, neither Party will, directly or indirectly, pay, offer, give, promise, or authorize the payment of, any monies or other things of value to any government official or an officer or employee of a government or any department, agency or instrumentality of any government; an officer or employee of a public international organization; any Person acting in an official capacity for or on behalf of any government or department, agency, or instrumentality of such government or of any public international organization; any political party or official thereof or any candidate for political office; or any other Person at the suggestion, request or direction or for the benefit of any of the above-described Persons, or engage in acts or transactions otherwise in violation of the Anti-Bribery Laws.
- e) If either Party fails to comply with any of the provisions of this Section (or gives the other Party reasonable grounds to believe it is in breach of the provisions of this Section), the other Party (without prejudice to any other rights and remedies it may have under the Agreement) is entitled to terminate the Agreement.

Section 23.3. Conduct Guidelines for Business Partners.

Valero Marketing and Supply Company and its Affiliates are committed to the highest ethical and legal standards in the conduct of their business and expects all their business partners, including suppliers, vendors, contractors, subcontractors, and representatives, with which Valero Marketing and Supply Company and/or its Affiliates conducts business to become familiar with and abide by the policies and principles set forth in Valero's "Conduct Guidelines for Business Partners" available at www.valero.com.

ARTICLE 24. NOTICES

- a) Unless otherwise agreed between the Parties, notification to/from either Party to the other must be in writing and officially be deemed to be given/received: i) immediately if in person; ii) where sent by post within the US to the address specified in the Agreement, on the second (2nd) Business Day after it was posted; iii) for airmail to the address specified in the Agreement, on the fifth (5th) Business Day after it was posted; iv) for facsimile where confirmation of transmission is provided and can be verified, if the recipient's confirmation is received prior to 1630 hours local time on a Business Day then that Business Day, but if the confirmation is received later than 1630 hours local time on a Business Day then on the next Business Day after the confirmation was received; and v) for nationally recognized courier service, if delivered prior to 1630 hours local time on a Business Day then that Business Day, but if delivered after 1630 hours local time on a Business Day then receipt is deemed to be on the next Business Day after the confirmation was received.
- b) Email correspondence regarding the performance of the Agreement is acceptable except for notices of assignment, Event of Default, Force Majeure, termination, and legal or arbitration proceedings. Email messages must be sent to the address specified for those purposes in the Agreement and are deemed to have been received on that Business Day if sent prior to 1630 hours local time on such Business Day, but if delivered after 1630 hours local time on a Business Day then receipt is deemed to be on the next Business Day. Email messages are at the risk of the sender and are only valid if actually received.
- c) Changes to the contacts and addresses specified in the Agreement must be notified immediately by post or facsimile to the other Party.
- d) Instant messages or electronic "text" messages (such as SMS Format message) are not acceptable means of providing notice.
- e) All references to "local time" in this Article mean local time at the place of receipt.

ARTICLE 25. MISCELLANEOUS

Section 25.1. Assignment.

Neither Party may assign any of its rights, duties, or obligations provided for under the Agreement, in whole or in part, without the prior written consent of the other Party. The above notwithstanding, either Party has the right to assign the Agreement to any Affiliate by providing written notice of such assignment to the other Party and so long as the assigning Party expressly remains jointly and severally responsible for the obligations so assigned with the Affiliate assignee. Any purported assignment of the Agreement in violation of this Section will be void.

Section 25.2. Waiver of Sovereign Immunity.

Each Party hereby represents and warrants that it is acting solely in its commercial capacity in executing and delivering the Agreement, and in performing its obligations hereunder, and each Party hereby irrevocably waives with respect to all claims, disputes, controversies and other matters of any nature whatsoever

that may arise under or in connection with the Agreement all immunity such Party may otherwise have or obtain for itself or its property as a sovereign, quasi-sovereign or state-owned entity (or similar entity) from all proceedings (whether legal, equitable, arbitral, administrative or otherwise), attachment of assets, and enforceability of judicial or arbitral awards (be they interim measures or final awards). The provisions of this Section will survive the termination of the Agreement without limitation as to time.

Section 25.3. Trademarks.

Nothing in the Agreement whether express or implied shall be deemed to confer any right upon Buyer to apply any trademark owned by Seller or any of its Affiliates to any Product supplied under the Agreement nor to use such trademark in relation to such Product.

Section 25.4. Rights of Third Parties.

Nothing expressed or implied in the Agreement should be considered or constructed as conferring any rights, interests, obligations or benefits under the Agreement to a Person other than Buyer, Seller and their respective successor and permitted assigns.

Section 25.5. Deadfreight.

For CFR, CIF, CPT, CIP, DES, DDP, DAP, DPU, or DAT transactions, if Seller incurs any deadfreight as a direct result of meeting the requirements of the Discharge Port nominated by Buyer, such deadfreight will be for Buyer's account. Any deadfreight incurred solely for Seller's purposes under such transactions will be for Seller's account.

Section 25.6. No Waiver.

No waiver of any right under the Agreement at any time will serve to waive the same right or any other right at any future date.

Section 25.7. Right to Audit Books and Records.

Each Party and its duly authorized representatives will have access during customary business hours, subject to such Party's health and safety procedures, to the accounting records and other documents maintained by the other Party which relate to the Agreement and shall have the right at its own expense to audit such records at any reasonable time after the effective date of the Agreement and within one (1) year after the termination of the Agreement. However, a Party can only conduct one (1) audit per year, and the same year cannot be re-audited. In no event will the audited Party be obligated to disclose legally privileged information.

Section 25.8. Independent Contractor.

In performing their respective services pursuant to the Agreement, Seller and Buyer are acting solely as independent contractors maintaining complete control over their respective employees, facilities, and operations. Neither Seller nor Buyer is authorized to take any action in any way whatsoever for or on behalf of the other.

Section 25.9. Survival.

Cancellation, expiration or termination of the Agreement does not relieve the Parties of any obligations that, by their very nature, must survive cancellation, expiration or termination, including all payment and indemnification obligations arising under the Agreement prior to the date of cancellation, expiration or termination. A Party's payment obligation will not be deemed fulfilled until the payment has been credited in full into the Party's bank account.

Section 25.10. Severability.

If a provision of the Agreement (or part thereof) is declared to be illegal, invalid or unenforceable by a court of competent jurisdiction, the remainder of the Agreement and remainder of such provision will not be affected and will continue in full force and effect except to the extent necessary to delete such illegal, invalid or unenforceable provision (or part thereof).

Section 25.11. Amendment.

No amendment to the Agreement will be effective unless agreed to by both Parties and confirmed in writing.

Section 25.12. Relationship of the Parties.

The relationship between Buyer and Seller established by the Agreement is that of purchaser and supplier, and nothing in the Agreement should be construed to constitute the Parties as principal and agent, partners, joint venturers, co-owners or otherwise as participants in a joint undertaking.

Section 25.13. Entire Agreement.

The Agreement represents the entire agreement of the Parties with respect to the matters contemplated by the Agreement, and no oral statements or prior written matter not specifically incorporated in the Agreement is of any force and effect.

Valero

- No Smoking
- Stop Engine
- No Open Flames
- No Cell Phone Use
- No Eating or Drinking
- No Pets
- No Alcohol
- No Firearms
- No Flammable Liquids
- No Flammable Solids
- No Flammable Gases
- No Flammable Dusts
- No Flammable Aerosols
- No Flammable Liquids
- No Flammable Solids
- No Flammable Gases
- No Flammable Dusts
- No Flammable Aerosols

Valero AMERICA'S LARGEST PRODUCER OF RENEWABLE FUELS.

**100% RENEWABLE.
100% RESPONSIBLE.**

Fit up with Valero's Renewable Diesel - premium fuel that is lower in carbon, delivers higher engine performance and produces significantly lower greenhouse gas emissions than even hybrid or electric trucks.

Find out more at ValeroRenewableDiesel.com

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Gallons



NOZZLE OPERATION



Renewable Diesel #2

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PART IV: ADDITIONAL TERMS APPLICABLE TO RENEWABLE FUELS AND RENEWABLE IDENTIFICATION NUMBERS (RINS) PURCHASE AND SALES

ARTICLE 26. GENERAL PROVISIONS GOVERNING RENEWABLE FUELS AND RINS

In addition to Parts I through III of these General Terms, the following provisions in this Part IV of these General Terms applies to all transactions for the purchase and/or sale of RINs and Renewable Fuel between the Parties to which these General Terms are attached or specifically incorporated by reference.

ARTICLE 27. REPRESENTATIONS AND WARRANTIES

Section 27.1. Representations and Warranties of Seller.

In addition to the representations and warranties set forth in Article 11 and Section 27.2 of these General Terms and unless otherwise stated in the Special Provisions, Seller represents and warrants that, to the best of its knowledge, each RIN Initiated or sold pursuant to the Agreement: i) was properly generated by Seller or, if applicable, was properly purchased or received by Seller and was separated and unassigned pursuant to the RFS Program; ii) is valid under the RFS Program; iii) is of the D-Code (as that term is defined in the RFS Program), K-Code (as that term is defined in the RFS Program), and RIN Generation Year (other than where a later year is permitted in accordance with the Agreement) specified in the Special Provisions (if any) and has not been retired; and iv) if the EPA requests Seller to provide information to the EPA, Seller will observe this request in such form and within such period as the EPA may request in order to carry out any of its functions under the RFS Program.

Section 27.2. Representations and Warranties of Each Party.

Each Party represents and warrants to the other Party that: i) it is a registered user of the EMTS and has completed any registration required by the RFS Program; ii) the Agreement and such Party's performance under the Agreement are in compliance with all its obligations under the RFS Program as the same may apply to the Agreement and such Party's performance thereunder; iii) it has entered into the Agreement as principal (and not as advisor, agent, broker or in any other capacity, fiduciary or otherwise), has a full understanding of the material terms and risks of the Agreement, has made its own independent decision to enter into the Agreement and as to whether the Agreement is appropriate or suitable for it based upon its own judgment and upon advice from such advisors as it has deemed necessary, and it is capable of assuming those risks; and iv) if a Party receives a request from EPA for documents pursuant to EPA's authority under the RFS Program, and the other Party has the documents being requested, the Party that received such EPA request shall notify the other Party in writing and such other Party agrees to cooperate in responding to the EPA's request.

ARTICLE 28. TRANSFER OF RINS

Except as otherwise provided elsewhere in the Agreement, Seller shall transfer to Buyer and Buyer shall acquire from Seller all RINs generated pursuant to the RFS Program for each Gallon of Renewable Fuel sold hereunder, with the value assigned to the specific renewable fuel in accordance with the RFS Program. With respect to the transfer of the RINs under the Agreement, Seller will issue a corresponding Product

Transfer Document, and Seller and Buyer will subsequently cause the transfer of RINs specified in the relevant Product Transfer Document using the EMTS within the time frame set forth in the RFS Program. Title to the RINs will pass from Seller to Buyer simultaneously with and in the same manner as title to the Renewable Fuel or if a RINs only transaction, title to RINs will pass from Seller to Buyer upon Buyer's acceptance of the RIN transaction in EMTS (either such title transfer date is hereinafter referred to as the "**RIN Transfer Date**"). Each of the RINs that is transferred along with the RIN Transfer Date will be listed on the Product Transfer Document and, for RINs only transactions, Seller shall provide all other information required under the RFS Program for separated RINs.

ARTICLE 29. PRODUCT COMPLIANCE

For each delivery of Renewable Fuel, Seller shall provide to Buyer a certificate of analysis, a bill of lading, a delivery ticket, or a loading ticket that certifies that the Renewable Fuel is in compliance with federal and state requirements applicable at the time of delivery. For each delivery of RINs, whether or not sold separately from a Renewable Fuel, Seller and Buyer each shall comply with all applicable provisions of the RFS Program including, those provisions related to generation, separation, transfer, and retirement of RINs.

ARTICLE 30. SELLER'S FAILURE TO INITIATE RINS OR DELIVER VALID RINS

- a) If Initiated RINs accompanying an assigned volume of Product ("**Assigned RINs**") are entered into EMTS in an untimely manner such that Buyer cannot accept the Assigned RINs in the time frame set forth in the RFS Program, then Seller agrees to provide Buyer separated and Qualified Replacement RINs within fifteen (15) Business Days of notification by Buyer in a volume equal to the Assigned RINs that were untimely.
- b) If Initiated RINs accepted by Buyer are or become invalid for purposes of the RFS Program ("**Deficient RINs**"), then, Seller shall, at Seller's sole cost and expense, Initiate Qualified Replacement RINs in a volume equal to the deficient quantity within fifteen (15) Business Days after Seller receives notice (whether from Buyer, from EPA, or from any third party) that the RINs are invalid for purposes of the RFS Program, and shall reimburse Buyer for its direct and actual costs and expenses incurred as a result of Seller's Deficient RINs. If Seller fails to Initiate Qualified Replacement RINs within fifteen (15) Business Days after Seller receives notice, then Buyer may Initiate Qualified Replacement RINs in a volume equal to the Deficient RINs and Seller shall reimburse Buyer for all of its direct, actual, and documented costs and expenses incurred in connection with obtaining and transferring a volume of Qualified Replacement RINs.
- c) If, as a result of Seller's fraudulent or willful misconduct, it sells Buyer Deficient RINs, and such sale results in a Governmental Authority imposing fines and penalties upon Buyer, then notwithstanding anything to the contrary contained herein, Seller shall reimburse Buyer for all such fines and penalties to the extent the fines and penalties are assessed against Buyer as a direct result of the Deficient RINs.

- d) In the event the provisions of this Article are invoked, Seller and Buyer agree to work together in good faith to pursue an efficient, commercial, and practical resolution consistent with the foregoing options (or any combination thereof) in order to cure any default with respect to any Deficient RINs; provided, however, the replacement RINs must be Qualified Replacement RINs unless otherwise mutually agreed.
- e) In the event any Qualified Replacement RINs transferred to Buyer are or become invalid for purposes of the RFS Program, such Qualified Replacement RINs will be treated as Deficient RINs for purposes of this Article.

ARTICLE 31. CHANGE IN LAW

Without limiting any other provision in this Agreement, if at any time after the Agreement is entered into, any Applicable Laws, including the RFS Program or EPA policy or procedure implementing the RFS Program, are changed or any new Applicable Laws come into effect so that the implementation of the Agreement becomes impossible, impractical, or inconsistent with the requirements, protocols, or procedures under the RFS Program, the Parties shall work in good faith to amend the Agreement to conform to such changed or new Applicable Laws in order to maintain the original intent of the Parties under the Agreement. Notwithstanding anything in the Agreement to the contrary, if any Applicable Law, including the RFS Program, is enacted, implemented, modified, amended, or revoked such that Buyer is no longer an obligated party under the RFS Program or the RFS Program is no longer in effect, Buyer has the right to terminate the Agreement with no further obligation upon thirty (30) days' notice to Seller.

ARTICLE 32. EMTS UNAVAILABILITY

In the event EMTS is disrupted or unavailable, the affected obligations of the Parties will be suspended (but not discharged) until EMTS is not disrupted and is available.

ARTICLE 33. LIMITATION OF LIABILITY – FINES AND PENALTIES

EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THE AGREEMENT, INCLUDING ARTICLE 30(c) OF THESE GENERAL TERMS, NO PARTY SHALL PAY OR BE LIABLE FOR ANY FINES OR PENALTIES ASSESSED BY ANY GOVERNMENTAL AUTHORITY, INCLUDING RFS PROGRAM FINES OR PENALTIES.

APPENDIX A

VESSEL RELATED CONDITIONS AND RELATED CONDITIONS AT SHORE FACILITIES

PART I. INCORPORATION

Parts I through IV of the General Terms are incorporated into this Appendix for all purposes as if fully set forth herein. Capitalized terms that are used in this Appendix and not otherwise defined herein have the meaning set forth in the General Terms.

PART II. VESSEL RELATED CONDITIONS

Section 1.1. Eligibility.

Vessel Party represents and warrants that a) the nominated Vessel is, in all respects, eligible under and in compliance with all Applicable Law, including the Maritime Security Regulations, with respect to entering, docking, hoteling, loading, and unloading at or within the designated port or other places specified in the Agreement, and b) at all times the Vessel will have on board and readily available for inspection all certificates, security plans, declarations, records, and other documents required by Applicable Law for such service.

Section 1.2. Vessel Compliance Matters.

- a) Vessel Party warrants compliance and shall require the Vessel to comply with all Applicable Laws, including all environmental, health, and safety rules and regulations; all federal and state emissions requirements and oil spill response plans; financial responsibility requirements; and any applicable Maritime Security Regulations, and Sanctions Laws, and Immigration Rules.
- i) Vessel Party specifically warrants and guarantees that: 1) the Vessel is not a vessel identified on the OFAC Specially Designated Nationals and Blocked Persons List; and 2) the Vessel is not flagged, registered in, used, leased, or chartered, in whole or in part, by or on behalf of or for the benefit of a Person in or connected to, or a Person designated or blocked pursuant to, any Sanctions Laws. **VESSEL PARTY AGREES TO INDEMNIFY, DEFEND, AND HOLD VALERO HARMLESS FROM ANY LOSSES, WHETHER OR NOT RESULTING FROM VALERO'S NEGLIGENCE OR ANY THIRD-PARTY CLAIMS, ARISING OUT OF OR IN CONNECTION WITH A BREACH OF THE FOREGOING WARRANTY AND/OR GUARANTEE.** This indemnity will survive the expiration or termination of the Agreement.
- ii) In the event the Vessel fails to comply with any of the requirements in this Section 1.2 a), the Vessel may not be permitted to dock and, if previously docked, may be required to promptly vacate the designated berth at the Shore Facilities.

- b) Failure of any of the Vessel's operational, safety, or environmental systems or equipment, or the failure to possess or comply with the Shore Facilities' or Vessel's own security plan, even if after initial acceptance by the designated Shore Facilities, or the failure to comply with other Shore Facility requirements constitutes grounds for such facilities to immediately reject the Vessel, including notification to vacate the berth until either i) suitable repairs are made to return the affected systems or equipment to good working order, or ii) the Vessel and requirements for its crew are brought into compliance with the applicable Vessel or Shore Facility requirements. Under such circumstances, the Vessel must be re-accepted by the designated Shore Facilities prior to the start or resumption of discharge or loading of the Cargo under the terms of the Agreement.
- c) In the event the Vessel fails to comply with Section 1.2 a) or b) above, any resulting delays will not count as used laytime or as time on Demurrage, and any attendant costs, expenses, losses or damages, including those suffered by Terminal Designating Party and delays incurred to obtain or rectify the necessary certificates, Vessel security plan, declaration(s), response plan(s), etc., are for Vessel Party's account. Further, expenses incurred in making any necessary repairs or bringing the Vessel or its crew into compliance with the applicable requirements will be for Vessel Party's account and laytime will not commence, or be considered to have commenced, until all Vessel documents have been submitted to the applicable party, and the Vessel has been revetted and reapproved.

Section 1.3. Pollution Prevention and Responsibility.

- a) For the purpose of this Section, the term "Pollution Damage" includes all damages that are compensable under the CLC and OPA, as well as any Applicable Law.
- b) In the event an escape, release, or discharge of the Cargo occurs on or from the Vessel and causes or threatens to cause Pollution Damage, the Vessel will promptly take whatever measures are necessary to prevent or mitigate such damage or remove the threat. Vessel Party hereby authorizes the designated Shore Facilities, or its nominee, upon notice to the Vessel, to undertake, at the option of such Shore Facilities, such measures as are reasonably necessary to prevent or mitigate the Pollution Damage or remove the threat. Under such circumstances, the designated Shore Facilities or its nominee shall keep the Vessel advised of the measures intended to be taken. Any of the aforementioned measures will be for Vessel Party's account, provided that if the designated Shore Facilities caused or contributed to such escape, release, or discharge, the expense of the aforementioned measures will be borne by such facilities in proportion to its percentage of negligence in causing or contributing to the escape, release, or discharge. If Vessel Party reasonably considers that said measures should be discontinued, Vessel Party shall promptly notify the designated Shore Facilities or its nominee in writing and thereafter, such Shore Facilities or its nominee shall have no right to continue said measures at Vessel Party's authority or expense, save for demobilization expenses, unless directed to do so by a Governmental Authority having or purporting to have proper jurisdiction over i) the Vessel or its crew, ii) the clean-up, remediation, mitigation, and/or disposal of any Pollution Damage, or iii) the repair, replacement, or removal of the designated Shore Facilities or any associated equipment being or needing to be undertaken. This provision is applicable only between the Parties and will not affect any liability of the Vessel to third parties including any Governmental Authority.

- c) Vessel Party warrants that throughout the Vessel's service under the Agreement, the Vessel has on board the following applicable certificates:
 - i) certificates issued pursuant to the CLC, and pursuant to the 1992 protocols to the CLC, if and as amended, as and when in force;
 - ii) certificates issued pursuant to Section 1016(a) of OPA, and Section 108(a) of the Comprehensive Environmental Response, Compensation and Liability Act 1980, as amended in accordance with Part 138 of Coast Guard Regulations set forth in Title 33, US Code of Federal Regulations; and
 - iii) certificates issued or required by any Governmental Authority having proper jurisdiction over the operation of the designated Shore Facilities.
- d) Vessel Party shall immediately notify Terminal Designating Party of any Marine Incident. In addition to all other reporting requirements the Parties and Vessel may have under the Agreement, all Parties are responsible for promptly notifying Valero Central Monitoring of each Marine Incident by calling 866-565-5220 or 210-345-2210. This monitoring system has been setup to accept calls twenty-four (24) hours per day, seven (7) days per week.
- e) Should a pollution discharge emanate from the Shore Facilities, such Shore Facilities will be responsible to satisfy all obligations of the Responsible Party.

Section 1.4. Insurance.

The provisions set forth in this Section are applicable only between the Parties and does not affect any liability of the Vessel to third parties, including any Governmental Authority.

- a) Ocean Tankers and Ocean Barges. If the Vessel is an Ocean Tanker or an Ocean-Going Barge, Vessel Party warrants that throughout the Vessel's service under the Agreement, the Vessel will have full and valid P&I insurance, placed with a P&I club that is a member of the International Group of P&I Clubs. The P&I insurance (including P&I US surcharges) will be at no additional cost to Terminal Designating Party. The P&I insurance must also include coverage against liability for pollution, for the maximum amount available through the International Group of P&I Clubs.
- b) Inland Barges. If the Vessel is an Inland Barge, Vessel Party warrants that throughout the Vessel's service under the Agreement, the Vessel will have full and valid insurance, including pollution liability insurance for an amount not less than:
 - i) one hundred million US dollars (\$100,000,000) per incident for Vessels carrying a cargo of nonpersistent oil as defined by OPA. This insurance will be at no cost to Terminal Designating Party; or
 - ii) two hundred million US dollars (\$200,000,000) per incident for the Vessels carrying a cargo of persistent oil as defined by OPA. This insurance will be at no cost to Terminal Designating Party.

- c) Evidence of Insurance. With respect to the requirements of Subsections a) and b) of this Section if requested at any time during the Agreement, Vessel Party shall promptly furnish to Terminal Designating Party reasonable evidence of such P&I insurance and any other required insurance. The warranties set forth in Subsection a) and b) of this Section are an essential part of the Agreement, and the obligations of the other Party under the Agreement are conditional on the truth and performance of such warranties. Any breach of the above referenced warranties will entitle the other Party to whom any such warranty is given to terminate the Agreement and/or to recover damages allowable in law, admiralty, or equity.

Section 1.5. Drug and Alcohol.

The owners of the Vessel shall have a D&A Policy applicable to the Vessel that meets or exceeds the standards in the Oil Companies International Marine Forum Guidelines for the Control of Drugs and Alcohol Onboard Ship. Vessel Party is responsible for ensuring such D&A Policy is in place. Under the D&A Policy, alcohol impairment must be defined as a blood alcohol content of 40 mg/100 ml or greater; the appropriate seafarers to be tested will be all Vessel crew; and the drug/alcohol testing and screening will include unannounced testing in addition to routine medical examinations. An objective of the D&A Policy must be that the frequency of the unannounced testing be adequate to act as an effective abuse deterrent, and that all Vessel officers be tested at least once a year through a combined program of unannounced testing and routine medical examinations. Vessel Party further warrants that the D&A Policy will remain in effect during the term of the Agreement and that Vessel Party shall exercise due diligence to ensure compliance with the D&A Policy. Upon Terminal Designating Party's request, Vessel Party shall provide Terminal Designating Party with a copy of the D&A Policy applicable to the Vessel. Absence of a D&A Policy or failure to deliver a copy of the D&A Policy within a reasonable time after Terminal Designating Party's request is grounds for Terminal Designating Party to reject or withdraw acceptance of the Vessel.

Section 1.6. Vessel Systems.

- a) Inert Gas Systems. All Vessels fitted with an IGS, regardless of the Cargo aboard or the Cargo to be loaded, will not be permitted to berth or, if already berthed, to carry out cargo operations at the designated Shore Facilities unless the IGS is fully operational. Any delay as a result of the Vessel failing to comply with this clause will not count as used laytime or as time on Demurrage.
- b) Vessel Connection Construction. All flanges, fittings, spool pieces and/or reducers used by each Vessel must be of steel construction.
- c) Vapor Recovery Units. All Vessels loading the Cargo that have or possess a vapor pressure greater than or equal to one and one-half (1.5) PSI must be fitted with vapor recovery equipment and have aboard a valid vapor tightness certificate. Vessels scheduled to load this material that are not fitted with vapor recovery equipment and/or fail to have aboard a valid Vapor Tightness Certificate will not be accepted at the designated Shore Facilities. Notwithstanding anything to the contrary set forth in this Subsection c), all vapor recovery system operations must be conducted pursuant to Part 39, Title 46 of the C.F.R.

- d) Measurement and Sampling. All Vessels loading or discharging cargoes that are required to be gauged and/or sampled using closed systems must have available, on board, a PMU (compatible with the Vessel's vapor lock fittings) that has been calibrated in accordance with the applicable API-MPMS. There must also be on board a sampler (compatible with Vessel's vapor lock fittings) that will allow running and upper, middle, and lower samples to be taken.
- e) Calibration Tables. All Vessels must maintain on board legible copies of calibration tables for all Cargo, fuel, slops and ballast tanks. Wedge tables or data to calculate wedge formula should be maintained for all Cargo and slops tanks.
- f) Vessel Experience Factor. Vessels must maintain, on board, information for VEF calculation in accordance with API-MPMS 17.9, including two (2) separate sequential voyage logs (one (1) for loading and one (1) for discharging covering the past twenty (20) voyages). Supporting documents for these twenty (20) voyages must also be maintained on board for review of cargo inspectors as needed.

Section 1.7. US Customs and Border Protection.

Vessel Party represents and warrants that the Vessel and any cargo discharged therefrom at the designated Shore Facilities will fully comply with, or Vessel Party shall timely secure and submit, all necessary waivers required under all applicable USCBP rules and regulations in effect as of the date the Vessel berths at such Shore Facilities. Laytime will not commence until the Vessel has been fully approved by the USCBP and all USCBP and related personnel have disembarked. Any delays waiting for, or because of, the USCBP, or resulting from the Vessel's non-compliance with USCBP regulations, will not count as used laytime or as time on Demurrage. Vessel Party shall provide all information required for importation of the Cargo being sold/purchased/exchanged and delivered under the Agreement to the other Party at least five (5) Business Days prior to the Vessel's arrival at the designated Shore Facilities or lightering site. Any delay resulting from lack of information required for importation of the Cargo shall not count as used laytime or as time on Demurrage unless such delay is the result of information required to be provided by such Shore Facilities hereunder.

Section 1.8. DHS; USCG; or Other Governmental Authority

Vessel Party represents and warrants that the Vessel fully complies with, or possess all necessary waivers, certificates, or other documents that are required under, each Applicable Law implemented and enforced by a Governmental Authority, the USCBP, the USCG, and any applicable port authority and/or the designated Shore Facilities, including the Maritime Security Regulations, which in all cases are in effect when the Vessel a) navigates within any waters that are subject to the jurisdiction of the Governmental Authority or the US, as applicable, or b) berths at such Shore Facilities. Upon request, Vessel Party shall promptly provide to the designated Shore Facilities and/or Terminal Designating Party complete copies of all certificates, declarations, letters of approval or acknowledgment, and other compliance documentation

(excluding the Vessel's security assessment and security plan) that are required under the Maritime Security Regulations. Any delay resulting from the Vessel's non-compliance will not count as used laytime or as time on Demurrage against the designated Shore Facilities or Terminal Designating Party, and all direct costs, expenses, losses, and/or damages related thereto are for Vessel Party's account.

Section 1.9. Maritime Security Regulations (ISPS and MTSA)

- a) Vessel Party shall procure and provide reasonable documentation that the Vessel nominated under the terms of the Agreement is operating in compliance with the applicable requirements of the Maritime Security Regulations.
- b) Vessel Party shall instruct the Vessel, when required, to submit a DOS to the appropriate authorities prior to arrival at the Delivery Port.
- c) Despite any prior acceptance of the Vessel by the Terminal Designating Party, if at any time prior to the berthing of the Vessel at the designated Shore Facilities the Vessel fails to comply with applicable requirements of the Maritime Security Regulations:
 - i) the Terminal Designating Party has the right not to berth such nominated Vessel and any delays resulting will be for the account of Vessel Party; and
 - ii) Vessel Party will be obligated to substitute a Vessel complying with the requirements of the Maritime Security Regulations.
- d) The Terminal Designating Party shall assure that the designated Shore Facilities and its owner/operator are operating in compliance with the applicable requirements of the Maritime Security Regulations.
- e) Any delays, costs or expenses to the Vessel at ports of loading or discharge due to the failure of the Vessel to comply with or timely provide information required by the Maritime Security Regulations will be for the account of Vessel Party. Where delays are solely and directly attributable to the Terminal Designating Party's failure to comply with or timely provide information required by the Maritime Security Regulations, the delays will count as laytime or, if the Vessel is on Demurrage, as time on Demurrage. The Terminal Designating Party's liability to Vessel Party hereunder for any cost, losses or expenses incurred by Vessel Party, resulting from the failure of the load/discharge port to comply with the Maritime Security Regulations will not exceed the amount of Demurrage actually incurred by Vessel Party in accordance with the provisions of this Part.
- f) If Demurrage is incurred and a claim for the Demurrage period is paid by Vessel Party and the Vessel has been delayed in berthing, loading, and/or discharging for any reason attributable to security regulations other than stipulated in Section 1.9 e) immediately above, such delay will be paid at one-half (1/2) the Demurrage rate. If the Vessel is on laytime, one-half (1/2) of the period of delay will count as laytime. Cost and expenses attributable to such delay will be shared equally.

Section 1.10. Ballast Water.

Vessel Party warrants that the Vessel will comply with the ballast water management and reporting requirements of any Applicable Law or Governmental Authority. Any time lost due to the Vessel's inability to comply or failure to comply with such requirements shall not count as laytime or, if the Vessel is on demurrage, as time on demurrage and any related fine, penalty, cost, or expense shall be for Vessel Party's account.

Section 1.11. American Tanker Rate Schedule/Worldscale Reference.

All terms, conditions, and differentials as set forth in the current revised American Tanker Rate Schedule/Worldscale Reference on the date of the Vessel loading or discharging, as applicable, and amendments thereto, apply insofar as they are not in conflict with any of the above-written provisions.

PART III. RELATED CONDITIONS AT SHORE FACILITIES

Section 2.1. Port Charges.

- a) The designated Terminal Designating Party shall provide a berth for the nominated Vessel free of port charges, except for those provided in WorldScale as being for Vessel Party's account and as set forth as follows. All dockage and service fees, including mooring, fresh water, steam, and oil slops receipts, will be for Vessel Party's account. In addition, all duties and other charges assigned to the Vessel, including, those incurred for Tows, pilots, wharfage fees, and other port costs, including fleeting and taxes on freight and wharfage, will be for Vessel Party's account.
- b) Notwithstanding anything in the Agreement to the contrary, the Terminal Designating Party does not warrant the safety, draft, air draft, or clearance of any berth, port, anchorage, or place, or any public channels, fairways, approaches thereto, anchorages, or other publicly-maintained areas, either inside or outside the port area, where the Vessel may be directed. The designated Shore Facilities will not be liable for any loss, damage, injury, or delay to the Vessel resulting from the use of private or public waterways. If hold-in tugs are required for the Vessel, any charges for such hold-in tugs will be for Vessel Party's account.

Section 2.2. Vacating of Berth.

- a) The designated Shore Facilities may order any Vessel to vacate its berth at such facilities as is deemed reasonably necessary. For the purposes of this Section, "reasonably necessary" includes the following circumstances:
 - i) the Vessel has entered such Shore Facilities, or docked/hotelled at the facilities, in violation of any Applicable Law and/or requirement of the Shore Facilities, or is in violation of the requirements of Section 1.2 of this Appendix A;
 - ii) severe weather dictates the need to vacate the berth (in which case the time period that the Vessel has vacated the berth and is waiting to proceed to rebirth will count as shared delays under Section 3.9, Section 4.10, or Section 5.10, as applicable, of the General Terms); or

- iii) it appears that the Vessel will not be able to complete loading or discharging of the Cargo within twenty-four (24) hours (pro rata for part Cargo) of the Vessel's arrival in berth maintaining an average load or discharge pressure of one hundred (100) PSI, except that the Vessel will not be required to vacate a berth as a result of the inability to complete loading or discharging operations under this clause unless:
 - A) that berth is needed to accommodate another Vessel, or
 - B) DHS, USCG, or any other law enforcement authority or agency having proper jurisdiction over the designated Shore Facilities mandates that the Vessel vacate such berth.
- b) Upon disconnecting the hoses, used laytime or time on Demurrage will cease. After tendering NOR to recommence loading or discharging at the designated Shore Facilities in accordance with the Agreement, each Vessel shall be re-berthed in order of rotation, unless otherwise directed by such Shore Facilities in its sole discretion, and used laytime shall resume upon the Vessel's reconnection of hoses. Any delay resulting from the Vessel's non-compliance shall not count as used laytime or as time on Demurrage against the designated Shore Facilities or Terminal Designating Party, and all direct costs, expenses, losses, and damages related thereto are for Vessel Party's account. Under any such circumstances, any delays will not count as used laytime or as time on Demurrage against the designated Shore Facilities or Terminal Designating Party, and all direct costs, expenses, losses, and damages related thereto, including vacating the berth or reberthing, are for Vessel Party's account.

Section 2.3. Shifting of Vessels; Failure to Berth When Berth Available.

- a) The designated Shore Facilities shall have the right to shift the Vessel from one berth to another within its facility or to anchorage. Unless otherwise provided in the Agreement, expenses incurred in such shifting or anchoring of Vessel will be for the account of the designated Shore Facilities and Terminal Designating Party, with the time consumed in shifting counted as used laytime or as time on Demurrage.
- b) Any expenses incurred where the shifting of the Vessel within a designated port is directed or mandated by any Person or Governmental Authority (including the USCG, USCBP, applicable port authority, or other Governmental Authority having proper jurisdiction over either the Vessel or its crew) other than the designated Shore Facilities or Terminal Designating Party will be for the Vessel and Vessel Party's account. Any time consumed in shifting will not be counted as used laytime or as time on Demurrage.
- c) In the event the Vessel fails to berth when given an order to proceed to berth for any reason, including as a result of any cause attributable to the Vessel or its personnel, the failure to have a proper Applicable Certificate, or any equipment or machinery failure, laytime/Demurrage will not accrue until the Vessel meets its next available berthing window and makes All Fast or commences discharging or loading at the berth.

Section 2.4. Bilge Water and/or Cargo Slops.

- a) Any designated Shore Facilities having reception facilities for oil or noxious liquid substances may agree to receive the Vessel's oil bilge water and/or Cargo slops up to the maximum available capacity at the specified Delivery Port.
- b) b) At least five (5) Business Days prior to the Vessel's arrival at the specified Delivery Port, the Vessel shall notify the designated Shore Facilities, in writing, of the Vessel's intention to discharge any bilge water or slops, and the volume of such bilge water or slops to be discharged.
- c) c) The designated Shore Facilities will confirm ballast or slops availability within two (2) Business Days after receiving such notification. All charges for this service are for Vessel Party's account. All expenses of a delivery Vessel taking on bilge water or slops will be for Vessel Party's account (if not paid for by the Vessel), unless concurrently performed with Cargo operations.

Section 2.5. Discharge of Foreign Cargo Slops into the US.

- a) At least five (5) Business Days in advance of the Vessel's intention to discharge Foreign Cargo Slops, Vessel Party shall submit a written request for approval to the Terminal Designating Party and the designated Shore Facilities to discharge such Foreign Cargo Slops.
- b) Acceptance of the discharge of any Foreign Cargo Slops is subject to the prior written approval of the Terminal Designating Party and the Shore Facilities in their sole discretion.
- c) Promptly following an acceptance of the discharge of any Foreign Cargo Slops under Subsection b) of this Section 2.5, Vessel Party shall (i) timely file all documents required by the applicable Governmental Authorities and as required under any Applicable Laws, and (ii) promptly complete any forms required by the Terminal Designating Party and/or Shore Facilities and send same to such Terminal Designating Party and/or Shore Facilities, as applicable, in each case prior to entry to the Shore Facilities.
- d) Any delays caused by the failure of Vessel Party to perform, or to cause the performance of, any obligation in this Section will not count as used laytime or as time on Demurrage.
- e) All costs and expenses, including applicable USCBP's duties, fees, fines, and/or penalties associated with the discharge and/or clearing of Foreign Cargo Slops through USCBP and the testing, removal, and/or proper discharge of such Foreign Cargo Slops, are for Vessel Party's account, if not paid for by the Vessel.
- f) The title for Foreign Cargo Slops will pass to the Terminal Designating Party at the first permanent flange on shore.
- g) Vessel Party warrants that the Foreign Cargo Slops will not contain any Vessel-generated waste.

Section 2.6. Shore Facilities' Environmental/Safety Observer.

The designated Shore Facilities may, at its/their option, place an observer on board the Vessel to observe loading and/or discharging of the Cargo, and related operations, during the period the Vessel is in port. The responsibility and liability for any pollution, unsafe act, or violation of the requirements of such Shore Facilities remains with the Vessel.

Section 2.7. Hoses.

Hoses and cargo arms furnished by the designated Shore Facilities will be connected and disconnected shoreside by the personnel for such facilities. Such equipment used aboard the Vessel will be connected and disconnected by the Vessel's personnel. Unless the requirements of the designated Shore Facilities provide otherwise, or at the option of such facilities, the connection and disconnection of hoses and/or cargo arms may be performed by the Vessel, at the Shore Facilities' risk and expense. Flanges for the hose connections will be at the Vessel's dockside rail. Crossover hoses between Inland Barges will be furnished and connected by the Inland Barge at its risk and expense; provided, however, in the event an Inland Barge does not properly furnish a crossover hose and must be replaced with another Inland Barge, the time spent switching Inland Barges will not be counted as used laytime, or if no Demurrage, such time will not be counted as Demurrage.

Section 2.8. Wharf Damage; Indemnity.

VESSEL PARTY ASSUMES FULL RESPONSIBILITY FOR AND WILL FULLY AND COMPLETELY RELEASE, DEFEND (UPON THE REQUEST OF THE DESIGNATED SHORE FACILITIES), INDEMNIFY, AND HOLD SUCH SHORE FACILITIES, THE OWNER AND OPERATOR OF SUCH SHORE FACILITIES, AS WELL AS THE PARENT ENTITY, SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONTRACTORS, SUBCONTRACTORS, AND OTHER REPRESENTATIVES OF SUCH ENTITY OR ENTITIES, HARMLESS FROM AND AGAINST ANY LOSS, DESTRUCTION, OR DAMAGE SUSTAINED TO WHARVES, BERTHS, OR DOCKS OWNED OR MAINTAINED BY THE DESIGNATED SHORE FACILITIES; EVEN IF CAUSED BY THE CONCURRENT NEGLIGENCE OF THE SHORE FACILITIES OR TERMINAL DESIGNATING PARTY. THIS PROVISION BETWEEN THE PARTIES IS WITHOUT PREJUDICE TO ANY OTHER RIGHTS, REMEDIES, CLAIMS, CAUSES OF ACTION, OR DEFENSES THERETO WHICH MAY EXIST.

APPENDIX B

DATE: _____
TO: _____
FROM: VALERO MARKETING AND SUPPLY COMPANY
ONE VALERO WAY
SAN ANTONIO, TEXAS 78249

LETTER OF INDEMNITY

WE REFER TO OUR CONTRACT DATED _____ IN RESPECT OF OUR SALE TO _____ OF A SHIPMENT OF _____ BARRELS OF _____ SHIPPED ON BOARD THE VESSEL _____ AT THE PORT OF _____ (THE "CARGO") WITH BILLS OF LADING DATED _____.

TO DATE, WE ARE UNABLE TO PROVIDE _____ WITH THE FULL SET OF BILLS OF LADING IN RELATION TO THE ABOVE TRANSACTION, WHICH CONSISTS OF 2/3 ORIGINAL BILLS OF LADING PLUS A MASTERS RECEIPT FOR 1/3 ORIGINAL BILLS OF LADING ENDORSED TO THE ORDER OF _____.

IN CONSIDERATION OF YOUR PAYING TO US THE FINAL PURCHASE PRICE OF US DOLLARS \$ _____ WE HEREBY WARRANT THAT WE HAVE FULL TITLE FREE AND CLEAR OF ANY LIEN OR ENCUMBRANCE TO SUCH MATERIAL, AND HAVING THE FULL RIGHT AND AUTHORITY, AND IN CONSIDERATION OF SAID PAYMENT, WE HEREWITH TRANSFER SUCH TITLE AND EFFECT DELIVERY OF SUCH MATERIAL TO YOU.

WE FURTHER AGREE TO CONTINUE TO MAKE ALL REASONABLE EFFORTS TO OBTAIN AND SURRENDER TO _____ AS SOON AS POSSIBLE 2/3 ORIGINAL BILLS OF LADING PLUS A MASTERS RECEIPT FOR 1/3 ORIGINAL BILLS OF LADING ISSUED OR DULY ENDORSED TO THE ORDER OF _____ AND IN THE EVENT THAT SAID BILLS OF LADING CANNOT BE OBTAINED THROUGH THE EXERCISE OF ALL SUCH REASONABLE EFFORTS, THEN IN THAT CIRCUMSTANCE, WE AGREE TO PROTECT, INDEMNIFY, AND SAVE YOU HARMLESS FROM AND AGAINST ALL DAMAGES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEY FEES) WHICH YOU MAY SUFFER BY REASON OF THE MISSING ORIGINAL BILLS OF LADING PLUS A MASTERS RECEIPT FOR 1/3 ORIGINAL BILLS OF LADING REMAINING OUTSTANDING, INCLUDING BUT NOT LIMITED TO ANY CLAIMS AND DEMANDS WHICH MAY BE MADE BY A HOLDER OR TRANSFEREE OF THE ORIGINAL BILLS OF LADING OR ANY OTHER THIRD PARTY CLAIMING AN INTEREST IN OR LIEN ON THE CARGO OR PROCEEDS THEREOF.

OUR OBLIGATION TO INDEMNIFY YOU IS, OF COURSE, SUBJECT TO THE CONDITIONS THAT YOU GIVE US IMMEDIATE NOTICE OF THE ASSERTION OF ANY CLAIM(S) AND FULL OPPORTUNITY TO CONDUCT DEFENSE THEREOF WITHOUT YOUR APPROVAL. THIS INDEMNITY SHALL IN ALL CASES, INCLUSIVE OF ALL DAMAGES, COSTS, EXPENSES AND ATTORNEY FEES, BE LIMITED TO AN AMOUNT NOT EXCEEDING 100% OF THE CIF VALUE OF THE CARGO THAT IS THE SUBJECT OF THIS TRANSACTION.

THIS LETTER OF INDEMNITY SHALL AUTOMATICALLY BECOME NULL AND VOID UPON OUR TENDERING TO _____ THE ORIGINAL BILLS OF LADING PLUS A MASTERS RECEIPT FOR 1/3 ORIGINAL BILLS OF LADING AS ABOVE OR UPON OF THE EXPIRATION OF 24 MONTHS AFTER COMPLETION OF DISCHARGE, WHICHEVER OCCURS FIRST; PROVIDED, THAT NO LEGAL PROCEEDINGS ARISING FROM DELIVERY OF THE CARGO HAVE BEEN INSTITUTED WITHIN SUCH 24 MONTH PERIOD.

THIS LETTER OF INDEMNITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND ANY DISPUTES, CONTROVERSIES OR CLAIMS ARISING OUT OF OR IN RELATION TO THIS INDEMNITY OR THE BREACH, TERMINATION OR INVALIDITY THEREOF SHALL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF THE STATE OR FEDERAL COURTS LOCATED IN HARRIS COUNTY, TEXAS.

APPENDIX C

VALERO PUBLIC DOCK LIST

State	City	Terminal
California	Los Angeles	Shell Morman Island
California	Selby	Nustar
Florida	Fort Lauderdale	South Florida Materials
Florida	Port Everglades	South Florida Materials
Florida	Port Everglades	Vecenergy
Louisiana	Mt. Airy	Pin Oak Marathon
New Jersey	Linden	Citgo
New Jersey	Linden	Kinder Morgan
New Jersey	Linden	Nustar
New Jersey	Sewaren	Motiva
New York	Albany	Buckeye
Texas	Brownsville	TransMontaigne
Texas	Corpus Christi	Nustar North Beach
Texas	Corpus Christi	Pin Oak
Texas	Corpus Christi	Avery Point
Texas	Houston	Oiltanking
Texas	Ingleside	Moda Midstream
Texas	Texas City	Texas City Term Railway - Dock 16

