



NGL Crude Logistics LLC
Kimberly Rodriguez
2900 N. Loop W., Suite 1250, Houston, TX 77092
Phone: 713-542-6648 Fax: 713-496-3902
RPMsupportservices@nglep.com

Master Rack Sales Agreement

This Rack Sales Agreement, Agreement#: \_\_\_\_\_ is entered into by and between NGL Crude Logistics LLC ("Seller") and \_\_\_\_\_ ("buyer").

Seller agrees to sell and deliver the following refined products in accordance with the Terms and Special Provisions hereof to Buyer and Buyer agrees to buy and receive the following products in accordance with the Terms and Special Provisions hereof.

This Agreement is expressly conditional upon Buyer satisfying Seller's Credit Requirements.

The then current "NGL Crude Logistics LLC General Terms and Conditions Applicable to Wholesale Refined Products Rack Sales" are hereby incorporated and form a part of this agreement.

Specific Terms for General Rack Sales

- Quantity: As available
Location: As Requested and Approved
Product(s): As available on approved accounts
Price: As notified via DTN
Payment Terms: Net 10 Day pending credit review
Cancellation: 30 Days written notice

ACCEPTED AND AGREED TO ON: \_\_\_\_\_

Buyer: \_\_\_\_\_ Seller: NGL Crude Logistics LLC
Attn: RPM Support Services
2900 N. Loop W., #1250
Houston, TX 77010

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**NGL Crude Logistics LLC**  
**General Terms and Conditions**  
**Applicable to Wholesale Refined Products Rack Sales**

These General Terms and Conditions Applicable to Wholesale Refined Products Rack Sales (the "General Conditions") are designed for use in transactions where NGL Crude Logistics, or an affiliated company ("Seller") has agreed to sell, or cause to be sold, Product(s) (as defined herein) to a party which has agreed to purchase such Product ("Buyer"). These General Conditions will be deemed acceptable and agreed to by Buyer if Buyer begins performance of its obligations hereunder. NGL Crude Logistics LLC reserves the right to reissue these General Conditions at any time. Buyer and Seller may collectively be referred to herein as the "Parties", or individually as a "Party".

1. **AGREEMENT.** Prior to any liftings of Product by Buyer, Buyer will apply for and obtain (in Seller's sole discretion) credit from Seller. After satisfactory determination by Seller with respect to Buyer's credit, Buyer and Seller shall enter into written "Rack Sales Agreements" which will contain the agreement or contract date, reference number (if applicable), Product(s), parties, term, location(s), and/or any other terms and conditions. Each Rack Sales Agreement will be furnished in writing by facsimile, email or other means upon finalization of an agreement. Unless otherwise agreed in writing, the Rack Sales Agreement, together with these General Conditions, and any electronic or other communications governing price, location, and quantity will constitute the entire agreement between the parties (the "Agreement"). Where there is conflict between these General Conditions and the Rack Sales Agreement, the Rack Sales Agreement shall govern.

2. **PRODUCT(S):** These General Conditions cover finished refined products, including, without limitation, all ethanol, biodiesel, gasoline and distillates including gasoline blended with ethanol and biodiesel (collectively, "Product"). The availability of a particular Product will vary depending upon the terminal applicable to the transaction, and the inventory and allocation of Product at such terminal.

3. **LOADING PRIVILEGES:** Loading privileges are granted by Seller to Buyer at requested terminals and confirmed through the issuance of loading numbers, but may be revoked by Seller at any time in its sole discretion. Any liftings by Buyer using these loading numbers will constitute an "Authorized Purchase". Any liftings on an account in which Buyer was not issued loading numbers by Seller will constitute an "Unauthorized Purchase."

4. **PRICING:** Unless otherwise agreed by the Parties in writing, Seller's price for Authorized Purchases of all Products shall be the rack price for the Product at the loading terminal set by Seller. Saturday, Sunday and Monday pricing will be based on Friday's posted price. Pricing for any holiday will be the same as the last posted price preceding the holiday. Such prices are terminal, Product and account specific. Prices are subject to change at any time.

Unauthorized Purchases shall be valued based on the higher of (a) the Seller's cost plus \$0.0100/gallon or (b) the average price of the Product lifted as posted in OPIS or DTN for the nearest applicable market ("Posted Price").

In the event that there is a price dispute over an Authorized Purchase when Seller did not communicate the price for a business day, the Product in dispute will be valued at the higher of (a) the Posted Price in effect in the nearest applicable market for such Product, or (b) the replacement value for the Product at the loading terminal at the time of lifting.

All prices under this Section 4 are exclusive of all taxes and fees, and are subject to the provisions of Section 12 hereof. Any applicable freight charges or costs in excess of those included in the price shall be at Buyer's expense.

5. **TITLE AND RISK OF LOSS:** Risk of loss and (subject to Section 18) title, including without limitation, risk of damage, deterioration, and/or evaporation, shall pass from the Seller to Buyer when the Product passes the flange or spout between Seller's delivery line at the refinery or terminal and Buyer's receiving connection or equipment, whether truck or other receiving equipment. It is expressly understood

that the passage of title (subject to Section 18) and risk of loss as set forth above is not conditioned on the delivery or receipt of bills of lading or other equivalent documentation.

6. **INSPECTION AND MEASUREMENT:** Measurement of quantity delivered into transport truck/tanks shall be based on the applicable bill of lading or terminal meter ticket at terminal. Unless noted in "Exhibit A" all quantities shall be adjusted to 60 degrees Fahrenheit and shall be conclusive. Quality shall be presumed to be the quality certified under bulk product from which truck delivery is drawn.

7. **TERMINAL ACCESS AND INSURANCE:** Each transport truck/tank carrier or agent appointed by Buyer (collectively, "Carrier") shall first be approved in writing by Seller and the applicable terminal(s), at their sole discretion, as a condition to terminal access. Such approval shall remain in effect until (i) revoked by Seller or the terminal at their discretion, or (ii) Seller receives written notice of revocation from Buyer. Buyer and each of its Carriers shall agree to Seller's standard terminal access agreement and/or the loading terminal's terminal access agreement prior to withdrawal of Product from the truck loading rack. Buyer and its designated Carriers shall comply with all applicable governmental and local authority regulations, the Seller's or the Seller's suppliers' regulations, all operating and safety procedures of Seller or the loading terminal, and any other requirements of whatever nature in force at the loading terminal. It shall be the absolute responsibility of the Buyer and each Carrier to acquaint itself, and comply with, the requirements of the loading terminal current at the relevant time. Notwithstanding anything to the contrary express or implied in the Agreement, if any Carrier nominated by the Buyer does not comply with the foregoing provisions or any of them, the Seller or the Seller's supplier may refuse to connect or load the Carrier in question.

Buyer shall cause its Carriers who will be accessing the loading terminal in connection with this Agreement to carry and maintain, at its sole expense, with reliable insurance companies acceptable to the loading terminal and authorized to do business in the state or area in which the loading terminal is located, at least the minimum insurance coverage as required by the loading terminal.

8. **PAYMENT:** Unless otherwise agreed to in writing, Buyer shall pay via ACH Debit all amounts as invoiced without discount, deduction, withholding, set-off, offsets or counterclaim of any kind in United States dollars on the tenth calendar day following date of lifting.

Seller shall have the right to assess finance charges against all past due amounts and all accrued but unpaid late payment charges, at the LIBOR rate as reported in The Wall Street Journal plus two percentage (2%) points, but not to exceed the maximum charges permitted by law. Buyer shall pay all of the Seller's costs (including attorneys' fees and court costs) of collecting past due payments.

When payment due date falls on a Saturday or on a weekday, other than Monday, which is not a banking day in New York, then any such payment shall be made on the nearest preceding New York banking day. When the payment due date falls on a Sunday or a Monday which is not a banking day in New York, such payment shall be made on the next following banking day.

9. **FINANCIAL RESPONSIBILITY:** Notwithstanding anything to the contrary in the Agreement, should Seller believe it necessary to assure payment, Seller may at any time require, by written notice to Buyer, either: (i) satisfactory security ("Security") in the form of an irrevocable letter or letters of credit at Buyer's expense in a form and from a bank acceptable to Seller to cover any or all obligations under the Agreement, or (ii) prepayment of the total estimated financial exposure under the Agreement. Any delay and any costs associated with such delay shall be for the account of Buyer.

**10. DEFAULT AND TERMINATION:**

10.1 A "Default" shall occur if Buyer (i) fails to pay any obligation or indebtedness to Seller or otherwise fails to comply with any credit terms imposed by Seller or fails to provide or maintain the Security; (ii) fails to perform any other obligation to Seller and such failure remains uncured after fifteen (15) days following written notice thereof; or (iii) becomes the subject of any bankruptcy or insolvency proceedings.

10.2 In the event of a Default by Buyer, then Seller, without limiting any other rights that may be available (whether under this Agreement, as a matter of law or otherwise), shall have the

right, exercisable in its sole discretion and at any time or times, to liquidate all Rack Sales Agreements and other transactions then outstanding by closing-out each such transaction being liquidated (whereupon they shall automatically be terminated, except for the payment obligation referred to below), calculating the Loss, if any, for each such transaction, and aggregating or netting such amounts and (at Seller's election) any or all other amounts owing under this Agreement to a single liquidated settlement payment that will be due and payable within one (1) business day after the liquidation is completed. "Loss" with respect to each transaction shall be the loss (or gain) to Seller as a result of the liquidation of that transaction including, without limitation, the cost of entering into a replacement transaction and of maintaining, terminating and/or reestablishing any hedge or related trading positions (and discounted to present value or bearing interest, as appropriate), in each case as determined by Seller in any commercially reasonable manner.

10.3 In addition, after an Event of Default, Seller at its election (i) shall have a general right of setoff with respect to all amounts owing between the Parties (whether under this Agreement or otherwise and whether or not then due), provided that any amounts not then due shall be discounted to present value, and (ii) may withhold or suspend its obligations under this Agreement. After an Event of Default, Buyer is also responsible for any other costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by Seller in connection with such Event of Default.

11. **FORWARD CONTRACT:** The Parties agree that each transaction entered into under the Agreement shall constitute a "forward contract" and that the Parties are "forward contract merchants" within the meaning of the United States Bankruptcy Code.

12. **TAXES:** All taxes, duties, fees, dues or other charges (collectively "taxes") now in effect or hereafter imposed or assessed by any federal, state, county or local government or agency with respect to or measured by the Product or the manufacture, transportation, storage, delivery, sale, receipt, exchange, inspection or use of the Product will be for Buyer's account. Upon receipt of invoice, Buyer shall reimburse Seller for any such taxes required to be collected or paid. If Buyer is exempt from any taxes, Buyer must provide Seller with proper exemption certificate(s) prior to lifting any Product. Failure to do so shall subject Buyer to payment of any such taxes, together with any applicable interest or penalties, and any consequential costs or fees imposed upon Seller as a result of such failure. From time to time, Buyer may elect to defer taxes, with Seller's consent, as defined in applicable state and federal regulations.

13. **FORCE MAJEURE:** In the event either Party is rendered unable, wholly or in part, to perform its obligations under the Agreement (other than to make payments due hereunder) due to acts of God, floods, fires, explosions, extreme heat or cold, earthquake or storm, transportation difficulties, strikes, lockouts or other industrial disturbances, wars, acts of terrorism or sabotage, accident or breakage of equipment or machinery, failure of transporters to furnish transportation, failure of suppliers to furnish supplies, or any law, rules, order or action of any court or instrumentality of the federal or any state government, or for any other cause or causes beyond its reasonable control, it is agreed that on such Party's giving notice and full particulars of such force majeure to the other Party, the obligations of the Party giving such notice shall be suspended from the date of receipt of such notice and for the continuance of any inability so caused, but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch. The term force majeure shall not apply to those events merely making it more difficult or costly for Seller or Buyer to perform their obligations hereunder. It is further agreed that at the conclusion of any force majeure event, neither Party shall have any obligation to the other with respect to any quantities of Product not delivered as a consequence of such force majeure event. No condition of force majeure shall operate to extend the terms of the Agreement.

14. **CLAIMS:** Any controversy or claim regarding the quality or quantity of Product is time-barred unless Buyer submits written notice thereof to Seller within ten (10) days of delivery of Product. Further, 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.

15. **ASSIGNMENT:** Neither Party shall assign the Agreement without the written consent of the other Party, which consent shall not be unreasonably withheld.

16. **NO WAIVER/AMENDMENTS:** No waiver by either Party of any breach of any covenants or conditions under the Agreement shall be construed as a waiver of any succeeding breach of the same or any other covenant or condition. This instrument cannot be modified in any way except by agreement of both Parties in writing. Such written agreement may be in the form of an exchange of telexes, faxes, email or similar transmissions.

17. **WARRANTY AND LIMITATION OF LIABILITY:** Seller warrants:

- A. that upon delivery the Product conforms to the specifications for such products established by the applicable Product terminal;
- B. that the Seller has free and clear title to the Product manufactured and delivered under the Agreement; and
- C. that the Product shall be delivered free from lawful security interests, liens, taxes and encumbrances.

Except as set forth above, SELLER MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY OF PRODUCT OR OTHERWISE. THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE IS EXPRESSLY DISCLAIMED. IN NO EVENT SHALL SELLER OR SELLER'S SUPPLIER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, WHETHER BY STATUTE, IN TORT, CONTRACT OR OTHERWISE.

Seller's liability with respect to lost, damaged, or contaminated Product shall not exceed the price of the Product sold hereunder or the price of that portion of such Product on which liability is asserted.

18. **RENEWABLE IDENTIFICATION NUMBERS:**

- A. For Product classified as ethanol or biodiesel, Seller and Buyer must be registered with and approved by the United States Environmental Protection Agency ("EPA") to buy and sell such Product with RINs. Buyer's agreement to enter into an applicable Agreement with Seller is considered as Buyer's confirmation that such EPA registration has been completed. "RIN" means Renewable Identification Number that complies with the rules and regulations relating to the current Renewable Fuel Standard ("RFS2") of the Environmental Protection Agency.
- B. The official Product Transfer Document ("PTD") shall be sent by Seller with the sales invoice for the transaction, and the date of transfer shall be the date of invoice generation.
- C. RINs shall be transferred under RFS2 by (i) Seller issuing a PTD which contains all matching information required by the EPA's Moderated Transaction System ("EMTS"), (ii) Seller submitting the transaction to the EMTS system according to the terms set forth below, and (iii) Buyer confirming the matching information and the transaction in the EMTS system.
- D. All RINs to be transferred by an Agreement shall be transferred through the EMTS according to RFS2 regulations. Any discrepancy with the transaction shall be reported by Buyer to Seller before denying the transaction in the EMTS.

19. **COMPLIANCE WITH LAWS:** During the performance of the Agreement, each Party agrees to comply with all laws, rules, regulations, ordinances and requirements of Federal, State and Local governmental or regulatory bodies (collectively "Laws") which are applicable to the Agreement, including, without limitation, all licensing requirements in the state where title transfers (if such licensing is required by the state) and all federal, state and local regulations for gasoline and alcohol blends, including, without limitation, volatility regulations and U.S. Environmental Protection Agency's Regulation of Fuels and Fuel Additives (40 CFR Part 80), as may be revised from time to time. Buyer shall be solely responsible for the determination of Buyer's duties under any Laws; provided however, that either Party may suspend its performance under this Agreement if, in that Party's reasonable judgment, the other Party is not or may not be in compliance with Laws.

20. **MATERIAL SAFETY DATA SHEET (MSDS) / HEALTH AND SAFETY:** An MSDS for each Product sold hereunder is available for Buyer's review and downloading from Seller's website located at <http://www.nglenergypartners.com/segments/customer-care-center/material-safety-data-sheets/>. Buyer acknowledges having reviewed the MSDS for the applicable Product and other health, environmental and safety information related to the Product as may be required by applicable Laws, and is aware of known hazards or risks in handling or using such Product. Nothing herein shall excuse Buyer from complying with all Laws which may require Buyer to take all reasonable and practicable steps to inform their employees, contractors, agents, users and customers of such risks and provide them with a copy of the MSDS and any other safety information, which require Buyer to ensure that the recommendations relating to the handling of the Product are followed. Compliance with any recommendation contained in the MSDS or other safety information shall not excuse Buyer from complying with all Laws of any state or territory having jurisdiction over Buyer.

21. **CHOICE OF LAW AND JURISDICTION:** ANY CONTROVERSY, CAUSE OF ACTION, DISPUTE OR CLAIM (COLLECTIVELY REFERRED TO AS "CLAIMS") ARISING OUT OF, RELATING TO OR IN CONNECTION WITH THE AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY THEREOF, SHALL BE GOVERNED BY THE SUBSTANTIVE AND PROCEDURAL LAWS (EXCLUDING ANY CONFLICT-OF-LAWS, RULES OR PRINCIPLES WHICH MAY REFER TO THE LAWS OF ANOTHER JURISDICTION). THE PARTIES SPECIFICALLY AGREE THAT THE SOLE JURISDICTION FOR ANY CLAIMS SHALL BE IN STATE OR FEDERAL COURTS LOCATED IN TULSA, OKLAHOMA.

**22. INDEMNITY:**

22.1 Each Party shall indemnify, defend and hold the other, its agents and employees, harmless from claims, penalties, demands, and causes of action or other loss or liability (including reasonable attorneys' fees and legal expenses) asserted against the other (collectively, "Claims") by any other person (including, without limitation, employees of either Party) for personal injury, for loss of or damage to property, or for violations of law resulting from the acts or omissions of the indemnifying Party in connection with this Agreement. Buyer shall defend, indemnify, and hold Seller, its agents and employees, harmless against all Claims arising out of or related to any environmental matters including, but not limited to, storage tank leaks or spills, waste disposal or air emissions caused by or arising in connection with Buyer's acts or omissions under this Agreement, including but not limited to, Buyer's loading, transportation, unloading, storage, handling, sale, or use of products sold hereunder, whether or not Buyer was negligent or otherwise at fault. Where personal injury, death, or loss of or damage to property is the result of the joint negligence or misconduct of the Parties hereto, the Parties expressly agree to indemnify each other in proportion to their respective shares of such joint negligence or misconduct. Provided, however, that in the case of indemnity by Seller, such defense, indemnification, and hold harmless obligations due from Seller shall not apply to Claims caused by: (A) Buyer's negligence or willful misconduct, or (B) defects in Product sold by Seller hereunder (other than defects attributable to any act or omission of Seller or Seller's employees or agents).

22.2 In the event Buyer has access to a third party facility (including, without limitation, the loading terminal) in connection with this Agreement, Buyer's access may be exercised by Buyer's contractors or Carriers in which case Buyer shall be responsible for the acts or omissions of its contractors and Carriers. Buyer shall indemnify, protect and hold harmless Seller from Claims asserted against Seller due to the (A) acts or omissions, (B) failure to comply with laws or governmental regulations, or (C) failure to comply with the requirements and procedures of the loading terminal, by Buyer's contractors or Carriers.

22.3 Buyer's agreement to indemnify Seller shall not be negated or reduced by virtue of the denial of insurance coverage by Buyer's or Carrier's insurers of the occurrence or event which is the subject matter of the claims, and/or refusal to defend the insured or Seller. Seller shall have the right, but not the duty, to participate in the defense of any claim or litigation with attorneys of Seller's selection. Buyer's and Seller's obligations hereunder shall survive any termination of this Agreement.

23. **WAIVER OF FUTURE SUPPLY OBLIGATIONS.** The Parties specifically acknowledge and agree that these General Conditions are freely entered into and do not reflect or result from any legal obligation that either party may have to the other party to supply Products. Neither party expects or desires that these General Conditions, any invoice issued by Seller or any other written agreement between the parties relating to these General Conditions will form the basis of any future obligation of either party to supply Products to the other party. To the extent that any present or future laws or regulations may require any such supply obligation, each party waives, in advance, any right it may now have or subsequently obtain to enforce any such obligation.

24. **ENTIRE AGREEMENT:** No statement or agreement, oral or written, made prior to or at the signing of the Agreement, shall vary or modify the written terms hereof unless such modification is mutually agreed to in writing by an authorized officer or attorney-in-fact of both parties.

EXHIBIT A

**To NGL Crude Logistics LLC General Terms and Conditions Applicable to Wholesale Refined Products Rack Sales**

States That Bill on a Gross Gallon Basis

Alaska	Nebraska
Colorado	New Hampshire
Connecticut	New Jersey
District of Columbia	New York
Delaware	Ohio
Hawaii	Oregon
Iowa	Pennsylvania
Idaho	Rhode Island
Maryland	South Dakota
Massachusetts	Utah
Maine	Vermont
Michigan	Washington
Minnesota	West Virginia
Montana	Wisconsin
North Dakota	Wyoming