



**TERMS AND CONDITIONS
OF
SERVICE**

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INTRODUCTION

LOOP LLC operates a deep water port located in the Gulf of Mexico engaged in the offloading of crude petroleum from large tankers. Crude petroleum shipped through LOOP is stored in salt caverns and/or tanks pending delivery to third party pipelines originating at the LOOP storage facility at Clovelly, Louisiana. LOOP's storage terminal is also the terminal facility for two offshore pipeline systems. LOOP offers a safe and environmentally friendly method of storing domestic crude petroleum and for unloading large tankers incapable of delivering their cargoes directly to inland U.S. ports.

This document describes the Terms and Conditions under which LOOP will provide such services. This document is available on the LOOP LLC Website at www.loopllc.com, or may be obtained upon request from LOOP.

LOOP LLC reserves the right to change these Terms and Conditions without prior notice. While LOOP will make every effort to apprise its customers of any such change, it is the Shipper's responsibility to abide by the current Terms and Conditions as published on the LOOP LLC Website.

ABBREVIATIONS AND DEFINITIONS

Apportionment

The process of apportioning estimated operating hours available in the Shipping Month or Shipping Period among Shippers when the total of all Nominations exceed System Capacity.

Assay

An evaluation of Crude Petroleum quality to include API Gravity, Reid Vapor Pressure, Pour Point, nickel and vanadium content in residuum, a true boiling point distillation (including the 1000 degrees Fahrenheit (°F), and higher cut), sulfur content (of the whole Crude Petroleum as well as cuts), Viscosity, TAN (total acid number) and H₂S.

Barrels

42 U.S. Gallons at a temperature of 60° F.

Batch

A volume of Crude Petroleum, which is shipped as an identifiable unit.

Blending

The combination of two Crude Segregations into a single Batch for delivery to a Connecting Carrier Pipeline at the request of a Shipper.

Cargo

The shipment of Crude Petroleum carried by a tanker.

Connecting Carrier Pipelines

Those pipelines originating at LOOP's Clovelly storage terminal, Galliano, Louisiana.

Crude Petroleum

The direct liquid hydrocarbon production from oil wells, or a blend of such, in its natural form, not having been enhanced or altered in any manner or by any process that would result in misrepresentation of its true value for adaptability to refining as whole Crude Petroleum.

Crude Segregation

A common stock in which Crude Petroleum with similar characteristics is handled. Specifications for LOOP's Crude Segregations are published on the LOOP Website or may be obtained upon request from LOOP.

(CONTINUED)

Crude Stream

Crude Petroleum from a designated source or with designated uniform characteristics.

Day

The time elapsed from 00:00 hours to 24:00 hours the same day, U.S. central standard or central daylight savings time, whichever is in effect on the date specified.

Discharge Time

The period of time for each tanker when LOOP's facilities are available to accept Crude Petroleum that commences at the earlier of four (4) hours after the time when all mooring of the tanker is complete or the time the tanker starts offloading and ends when Cargo discharge has been completed. Discharge Time is not charged, or is reduced proportionately, to the extent Force Majeure or an act or omission of LOOP causes cessation or reduction of the tanker's offloading rate.

Force Majeure

Any cause of an event or occurrence which is reasonably beyond the control of a person, including, without limitation, fire, explosion, strikes or other labor disputes, natural disasters, acts of God, or actions of any governmental authority but not including acts or omissions of a Shipper or mechanical malfunctions of tankers, whether or not caused by the above.

Gravity

API Gravity at 60° F as determined by MPMS.

LOOP

LOOP LLC, a Delaware limited liability company.

LOOP Website

An electronic file(s) containing the source code, data, graphics, interfaces, links and other components of LOOP's presence on the World Wide Web, accessible at www.loopllc.com.

Measurement

Volume measurement of Crude Petroleum as specified in the MPMS.

MPMS

The current edition of the API Manual of Petroleum Measurement Standards.

Nomination

Information submitted by the Shipper to LOOP for the receipt of Crude Petroleum and redelivery to Connecting Carrier Pipelines

(CONTINUED)

Port Booklet

The LOOP manual that includes the characteristics, equipment, communications procedures and operations required of tankers arriving to offload Crude Petroleum at LOOP's marine terminal. The Port Booklet is available at the LOOP Website or upon written request to LOOP.

Pounds Per Square Inch Gauge (psig)

Pressure measured relative to atmospheric pressure taken as zero.

Pour Point

The temperature in degrees Fahrenheit (°F) below which Crude Petroleum ceases to flow freely, as determined by ASTM D-97.

Qualification Percentage

The minimum Shipper Accuracy Record, as specified in the Scheduling Procedure, which a Shipper must meet to receive priority assignment of Discharge Time during periods of Apportionment.

Reid Vapor Pressure

The vapor pressure of Crude Petroleum as determined by ASTM D-323 and expressed as pounds per square inch (psi).

Scheduling Procedure

That procedure, published by LOOP and available on the LOOP Website or by written request to LOOP, which defines the method used to collect the anticipated arrival times of tankers and establishes their places in the queue.

Shipper

The party who contracts with LOOP for the handling of Crude Petroleum.

Shipper Accuracy Record

The measure of the accuracy with which a Shipper's Nominations arrive at LOOP for offloading within the assigned space in the tanker queue and discharge the volume offered. (See Scheduling Procedure.)

Shipping Month

The period from 00:00 hours on the first day of a calendar month to 24:00 hours on the last day of the calendar month.

(CONTINUED)

Shipping Period

Each of the periods from 00:00 hours on the 1st day of a calendar month to 24:00 hours on the 15th day of the calendar month, and the period from 00:00 hours on the 16th day of the calendar month to 24:00 hours on the last day of the calendar month.

Split Cargo

A Cargo consisting of two or more Batches.

SPM

A single point mooring buoy at which Crude Petroleum is offloaded for handling by LOOP.

System

All of the facilities of LOOP, including those used in communications, berthing, offloading, measuring, storing, and delivering Crude Petroleum to Connecting Carrier Pipelines.

System Capacity

An assessment of the volume of Crude Petroleum which can be handled during the Shipping Month or Shipping Period as determined by LOOP, based on expected tanker performance, weather, storage availability or other conditions affecting operations.

TAN (Total Acid Number)

The amount of potassium hydroxide in milligrams that is required to neutralize the acid in one gram of Crude Petroleum.

Time of Arrival

The time and date the inbound tanker enters the Safety Zone between buoys 1 and 2 or anchors outside of the Safety Zone in the vicinity (within three miles) of the Safety Zone. (See "Port Booklet").

Viscosity

A measure of a liquids resistance to flow as determined by ASTM D-445 and expressed in Centistokes.(cSt)

Viscosity Surcharge

A fee, expressed in cents per barrel (U.S. currency), assessed for handling Crude Petroleum with Viscosity in excess of the limit specified in Section 1.0.

Water and Sediment Content

The volume percent of water and sediment in Crude Petroleum as determined by an ASTM procedure selected by LOOP.

Wt. Percent Sulfur (Wt. % S)

The weight percentage of total sulfur in Crude Petroleum as determined by ASTM D-4294.

1. SPECIFICATIONS OF CRUDE PETROLEUM ACCEPTED

Crude Petroleum offered for offloading and handling must meet the following specifications:

1. API Gravity - 20° API minimum.
2. Reid Vapor Pressure - 10 psi maximum at 100°F.
3. Pour Point - 50° F maximum.
4. Temperature - 109°F maximum.
5. Water and Sediment Content - 2% maximum.
6. Viscosity – 21 cSt at 100°F maximum.
7. TAN (total acid number) – No limit established at this time.

1.1 Viscosity Surcharge

Crude Petroleum exceeding the Viscosity limit in the above specifications, but which otherwise can be measured and safely handled by the System, may be assessed a Viscosity Surcharge based upon its measured Viscosity at 100°F. The applicable Viscosity Surcharge is specified on the Rate Sheet.

1.2 Waiver for Non-Compliant Crude Petroleum

LOOP may reject Crude Petroleum not meeting the above specifications. Waiver may be granted where it will not unduly impair the safe and efficient operation of LOOP, Connecting Carrier Pipelines, or refineries and will not cause undue injury to the environment. Shipper must provide at LOOP's request a current Assay of the Batch of Crude Petroleum prior to offloading. Notwithstanding the above, Shipper is responsible for any damages caused LOOP and Shipper agrees to hold LOOP harmless from any and all loss, cost, liability, damage, and/or expense including attorney's fees and court costs, resulting from the handling of Crude Petroleum not meeting the above specifications.

2. CRUDE SEGREGATIONS

LOOP handles Crude Petroleum in Crude Segregations of single and mixed Crude Streams through LOOP's storage caverns or tanks. Specifications of Crude Stream(s) and/or quality ranges for each Crude Segregation are based on anticipated throughput demand and in recognition of the quality characteristics of individual Crude Streams, which limit their acceptability to be commingled with other Crude Petroleum. All interested parties shall be informed of LOOP's specifications for Crude Segregations and changes thereto. LOOP may, at the request of the Shipper and to the extent permitted by System Capacity and the capabilities of Connecting Carrier Pipelines, endeavor to batch Crude Petroleum without intransit storage and make delivery of substantially the same Crude Petroleum, provided there will be no undue delay or prejudice to other shippers.

LOOP is not liable for variations in the quality of Crude Petroleum occurring while in LOOP's custody, and is under no obligation to deliver the identical Crude Petroleum offloaded, but will, for Crude Petroleum handled in a Crude Segregation, make delivery from the same Crude Segregation.

3. RECEIVING AND DELIVERY CONDITIONS

3.1 Scheduling Receipts and Deliveries

LOOP coordinates Shipper's schedules without discrimination among Shippers utilizing the Scheduling Procedure, and considering its System Capacity, its delivery capabilities, and the capabilities of Connecting Carrier Pipelines to accept deliveries. Upon request, LOOP will provide assistance to Shippers in coordinating schedules and scheduling deliveries to Connecting Carrier Pipelines. However, the ultimate responsibility for arranging delivery of Crude Petroleum from the LOOP System rests with the Shippers.

3.2 Nomination Withdrawal Fee

Cargoes that are not offloaded at LOOP after being assigned an Arrival Window pursuant to I.B of LOOP's Scheduling Procedure (except for Force Majeure or an act of LOOP) may be assessed a fee, payable by the Shipper, of \$20,000.00.

3.3 Apportionment Policy

3.3.1 Discharge Time Based on Nominations

When the total volume of the Nominations exceeds the System Capacity, the total number of estimated operating hours available in the Shipping Month or Shipping Period will be apportioned on the basis of the ratio of the volume of Crude Petroleum stated in each Nomination from a Shipper with a Shipper Accuracy Record equal to or greater than the Qualification Percentage to the total volume of Crude Petroleum stated in all nominations from such Shippers for that Shipping Month or Shipping Period. After such calculation, any remaining operating hours shall be apportioned among Shippers with a Shipper Accuracy Record of less than the Qualification Percentage on the basis of the ratio of the volume of Crude Petroleum stated in each such Shipper's Nomination to the total volume of Crude Petroleum stated in all such Nominations for that Shipping Month or Shipping Period. Not later than the fifteenth of the month (or if not a business day then on the next business day) prior to the Shipping Month or Shipping Period, each Shipper will be notified of its total Discharge Time (apportioned operating hours).

3.3.2 Excess Operation Time Added to the Following Month

LOOP may choose not to apportion a Shipping Month if adding the excess estimated operating hours for such Shipping Month to the estimated operating hours required to offload the Crude Petroleum anticipated for the next Shipping Month does not cause the next Shipping Month to be apportioned. LOOP may schedule the excess estimated operating hours into the subsequent month.

3.3.3 Shippers Exceeding Discharge Time

Shippers are allowed a five percent (5%) over-run of their Discharge Time during periods of Apportionment without penalty. Any time taken in excess of the five percent (5%) over-run allowance will be deducted on an hour-for-hour basis from the next Shipping Month that is apportioned. In no case will discharge of an additional tanker be initiated during the Shipping Month for a Shipper who has exceeded its total Discharge Time.

3.4 Storage

Calculation of storage time in the System begins after the last Barrel of that particular Batch of Crude Petroleum was metered into the System.

3.4.1 Storage Time; Charges

A storage charge shall be assessed on Crude Petroleum remaining in storage after the time specified in LOOP's Assignment of Arrival Window given pursuant to I.B of LOOP's Scheduling Procedure, or after 30 days if no time is specified.

3.4.2 Exceptions to Scheduled Delivery and Storage Charges

Storage charges shall not be levied on volumes where delay in delivery of Crude Petroleum from the System results from insufficient inventory, Force Majeure, an act or omission of LOOP, or the failure or refusal of a common carrier Connecting Carrier Pipeline to accept such Crude Petroleum and where such failure or refusal is not the result of an act or omission of the Shipper.

3.4.3 Storm Preparations

LOOP's storage facility at Clovelly, Louisiana can be impacted by storms with high winds and flooding. During such conditions LOOP requires its tanks to contain a certain volume of Crude Petroleum. If LOOP determines a storm may affect Clovelly, LOOP will provide Shippers which have Crude Petroleum stored in tanks advance notice of the need to adjust (either to increase or decrease) the volume of Crude Petroleum each has in the tanks. Each Shipper shall advise LOOP within the time specified by LOOP Scheduling of its ability to comply with LOOP's request. If unable to make such adjustment, each Shipper authorizes LOOP to either add to or remove Crude Petroleum from the tank (s) to achieve the requisite volume.

LOOP may move any Shipper's Crude Petroleum within the System into the tank(s) or move any Shipper's Crude Petroleum from the tank(s) to LOOP caverns or Connecting Carrier Pipelines. LOOP will endeavor to use a Crude Petroleum designated by the Shipper, or a substantially similar Crude Petroleum when available.

LOOP shall have no liability to any Shipper for the loss of, or degradation in the value of Crude Petroleum in tanks or caverns that result from any actions taken by LOOP in anticipation of a storm.

3.5 Minimum Batches Offloaded

Batches of less than 250,000 Barrels are not accepted; provided that upon request, LOOP will make every reasonable effort, within safety and operational limits, to receive smaller Batches. To avoid contamination of Crude Petroleum because of interfaces between Batches left in the line, the last Batch offloaded from a tanker should not be less than 535,000 Barrels.

3.6 Deliveries

Deliveries to Connecting Carrier Pipelines are not made in Batches of less than 125,000 Barrels; provided that upon request, LOOP will make every reasonable effort, within safety and operational limits, to make deliveries of smaller Batches. Shipper shall arrange the prompt receipt of its Crude Petroleum delivered by LOOP to Connecting Carrier Pipelines. LOOP has no fixed delivery cycle.

3.6.1 Description of Connecting Carrier Pipelines

The following Connecting Carrier Pipelines connect to LOOP's Clovelly storage terminal at Galliano, Louisiana:

<u>Owner(s)</u>	<u>Destination</u>	<u>Diameter</u>	<u>Capacity (Barrels Per Day)</u>
LOCAP	St. James, LA	48"	1,700,000
Shell	Norco, LA	24"	240,000
Shell	Houma, LA	24"	240,000
Murphy, Plains	Meraux/ Alliance, LA Chalmette, LA	24"	250,000

3.6.2 Connection of Connecting Carrier Pipelines to LOOP

The terms and conditions under which Connecting Carrier Pipelines are permitted to connect to the LOOP System are set forth in a policy statement issued by LOOP and a standard form agreement between LOOP and its Connecting Carrier Pipelines.

3.6.3 Blending of Crude Petroleum Deliveries

Blending of Crude Petroleum deliveries may be provided upon Shipper's request and at LOOP's option. It is limited by system availability, the blend ratios achievable (generally 4:1) and the accuracy of the percentage ($\pm 3\%$) of each stream delivered, and is not guaranteed. It is not available if it interferes with vessels discharging or other pipeline deliveries. The charge for Blending is contained in the Rate Sheet.

3.7 Charges for Failure to Depart the SPM

The tanker shall have four (4) hours free time to depart the SPM after Cargo discharge has been completed, after which time the Shipper will be charged \$3,500.00 per hour for additional time until departure. LOOP may waive this fee if the additional time at the SPM does not delay the offloading of other tankers.

3.8 Volume/Quality Measurement and Volume Corrections

3.8.1 Receipts

The volume of Crude Petroleum received is measured in Barrels. Measurement of receipt is by turbine meters and adjusted to the temperature of sixty degrees Fahrenheit (60° F). A deduction is made for Water and Sediment Content. The volume thus determined, less a further deduction for Crude Petroleum losses of one-tenth of one percent (0.1%) of the volume of Crude Petroleum received into the System, is the net volume for which LOOP is accountable. LOOP determines quality measurements from samples obtained in accordance with sampling procedures found in MPMS.

3.8.2 Deliveries

The volume of Crude Petroleum delivered to Connecting Carrier Pipelines is measured in U. S. Barrels. Measurement of deliveries is by turbine meters and adjusted to the temperature of sixty degrees Fahrenheit (60° F). A deduction is made for Water and Sediment Content to determine the net volume delivered. LOOP determines quality measurements from samples obtained in accordance with sampling procedures found in MPMS.

4. TANKER OPERATION

4.1 General Standards

All tankers offloading at LOOP and parties responsible for each tanker's operation must comply with the requirements of the Port Booklet.

4.2 Tanker Performance Standards

Crude Petroleum shall be delivered to LOOP on tankers that meet or exceed the following vessel performance standards:

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Tankers of 109,999 dwt and below, shall have a minimum average discharge rate of 30,000 barrels per hour.

Tankers of 110,000 dwt to 169,999 dwt, shall have a minimum average discharge rate of 35,000 barrels per hour.

Tankers of 170,000 dwt or larger, shall have a minimum average discharge rate of 43,000 barrels per hour.

Upon completion of each tanker's discharge, LOOP shall determine whether the tanker's actual Discharge Time exceeds the quotient determined by dividing the gross volume of Crude Petroleum offloaded from the tanker by the minimum average discharge rate stated above for the applicable category. If the actual Discharge time is greater than the quotient, the Shipper(s) of the Cargo shall pay to LOOP an amount equal to \$8,000 times the difference between the actual Discharge Time and the quotient.

5. PAYMENT and REMEDIES

5.1 PAYMENT

Shipper is responsible for payment of all applicable rates, charges and fees. Rates for offloading and handling of Crude Petroleum are assessed on gross volumes of Crude Petroleum offloaded determined under Section 3.8 prior to any deduction for Water and Sediment Content and for the one tenth of one percent (0.1%) deduction for losses of Crude Petroleum. LOOP bills Shipper for all rates, charges and fees promptly following offloading of the Cargo and payment is required within fifteen (15) calendar days from the date of the invoice. At Shipper's request and at LOOP's option, Shipper may be billed a single monthly invoice for all Cargoes received during the Shipping Month, in which event payment is due within five (5) calendar days from the date of the invoice. Payment is required by wire transfer in immediately available U. S. currency to the LOOP account at the bank indicated on the invoice. LOOP may require evidence of Shipper's ability to pay charges and fees levied herein, and may refuse to accept Crude Petroleum from Shippers whose accounts are past due.

In addition to the transportation charges and all other charges accruing on Crude Petroleum accepted for transportation, a per barrel charge will be collected in the amount of any tax, fee, or other charges levied against the Shipper in connection with such commodity, pursuant to any federal, state or local law or regulation which levies a tax, fee, or other charge, on the receipt, delivery, transfer or transportation of such commodities within their jurisdiction for any purpose whatsoever.

LOOP has a lien, and Shipper hereby grants LOOP a security interest, on any Crude Petroleum in the System owned by a Shipper and on the

proceeds from the sale of such Crude Petroleum, and for the payment of rates, charges or fees owed LOOP for handling and storage of Crude Petroleum or for the payment of other costs or charges incurred in relation to such Crude Petroleum, including, but not limited to, insurance, labor costs, attorneys fees and expenses of sale. If the Crude Petroleum is removed, the lien and security interest for such amounts owed shall continue on other Crude Petroleum whenever delivered to LOOP. LOOP's lien and security interest may be enforced by public or private sale of the Crude Petroleum at any time or place and on any terms which are commercially reasonable, after notifying the Shipper and any other persons known to claim an interest in the Crude Petroleum. Such notification will include a statement of the amount due, the nature of the proposed sale and the time and place of any public sale. Sale may be made of all a Shipper's Crude Petroleum not removed from the System although more than apparently necessary to ensure satisfaction of the obligation of the Shipper to LOOP. A purchaser in good faith of Crude Petroleum sold to enforce the aforesaid lien and security interest shall take the Crude Petroleum free of any rights of persons against whom the lien and security interest was valid. Before any sale pursuant to the foregoing, any person asserting a legally cognizable right in the Crude Petroleum may pay the amount necessary to satisfy the lien and the reasonable expenses incurred in the effort to sell it. If such charges are paid and the Crude Petroleum removed from the System, it will not be sold. Sale proceeds minus outstanding amounts owed to LOOP by the Shipper and expenses incurred as a result of the sale, will be remitted to Shipper as payment in full for Crude Petroleum offloaded into the System.

5.2 Interest Charges for Late Payment

If all or any portion of each invoice is not paid when due, any such overdue amount is subject to daily interest from the due date to and including the date paid at a rate per annum which is two percent (2%) above the prime rate as posted in the Money Rates section of the Wall Street Journal; or if such is above the legally permissible interest rate, the highest interest rate legally allowed.

5.3 Disposition of Crude

LOOP reserves the right to make arrangements as it deems appropriate to clear the LOOP System of Crude Petroleum that has remained in storage beyond the time allowed by LOOP.

5.4 Rejection of Cargoes

LOOP may reject the Nomination of any cargo and withdraw Arrival Windows and Firm Arrival Windows upon a Shipper's failure to comply

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with these Terms and Conditions of Service or LOOP's Scheduling Procedure.

6. LIABILITY OF LOOP

LOOP is not responsible for any loss or damage, including the payment of demurrage, from any delay in offloading Crude Petroleum. LOOP assumes custody of Crude Petroleum at the ship's rail and transfers custody at the outgoing flange of the delivery meters to the Connecting Carrier Pipelines.

While in the possession of Crude Petroleum, LOOP is not liable for any loss or damage thereto or delay in delivery due to circumstances reasonably beyond its control, including, without limitations, fire, explosion, strikes or other labor disputes, natural disasters, acts of God, or actions of any government or governmental authority, delay of performance by suppliers or contractors or acts or omissions of a Shipper. In the case of loss or damage from such causes to Crude Petroleum in storage at LOOP's Clovelly storage terminal, the loss or damage shall be charged to the Crude Segregation sustaining such loss or damage and the loss or damage shall be deducted proportionately from each Shipper's inventory in such Crude Segregation in the ratio that the Shipper's inventory in such Crude Segregation bears to the total volume in such Crude Segregation at the time the loss or damage occurred. Loss or damage elsewhere while in LOOP's custody shall be charged to the Shipper owning the Crude Petroleum. LOOP's rates and charges will be proportionately adjusted by the amount of such volume deduction. LOOP is not responsible or liable for consequential damages. By offloading Crude Petroleum, the Shipper warrants and guarantees good title thereto and agrees to hold LOOP harmless from any and all loss, cost, liability, damage and/or expense including attorney's fees and court costs resulting from failure of title.

7. IN-SYSTEM TRANSFERS OF OWNERSHIP

LOOP may recognize changes in ownership of Crude Petroleum in the System provided transfer requests are made by both the transferor and transferee in writing to LOOP and the requests include: a) the name of the transferor and transferee, b) the net volume, c) the LOOP identification number of Batch(es), d) the crude type or Segregation, e) the date of the requested transfer, f) the rate class, g) the date storage charges will (or may) begin, and h) the party responsible for LOOP's rates, charges and fees.

Following transfers, LOOP shall send a statement denoting ownership transfer to both parties. Any transferee in an in-system transfer becomes a Shipper and is subject to any and all applicable provisions or requirements contained in LOOP LLC's Terms and Conditions of Service including Supplements thereto, and the Rate Sheet. All deliveries shall be made to and for the account of the last party receiving the transfer.

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If not otherwise agreed to, the transferee shall be responsible for payment of all rates, charges and fees on the Crude Petroleum which accrue after the time of transfer, including but not limited to storage charges.

The transferor warrants unencumbered title to the Crude Petroleum being transferred and, both transferor and transferee each agree to indemnify and hold LOOP harmless from any and all loss or liability including attorney's fees and court costs arising out of the in-system transfer. LOOP shall incur no liability with respect to any recognized or unrecognized in-system transfer or for any loss or damage of any kind accruing to any party involved in an in-system transfer.

8. CLAIMS, SUITS, TIME FOR FILING

As a condition precedent to recovery, claims must be filed in writing with LOOP within nine months after delivery of Crude Petroleum or in the case of failure to make delivery, within nine months after a reasonable time for delivery has elapsed, and suits must be instituted against LOOP within two years and one day from the day that notice in writing is given by LOOP to the claimant that LOOP has disallowed all or any part of the claim. Where claims for loss or damage are not filed or suits are not instituted in accordance with the foregoing provisions, such claims will not be paid and LOOP will not be liable.

LOOP maintains samples of Crude Petroleum offloaded and delivered for 120 days. If the Shipper files a claim within such time, a sample will be made available for retesting. If the retest falls within ASTM reproducibility parameters, the original results remain binding on the shipper and LOOP. If the retest falls outside of ASTM reproducibility parameters, the new results are binding on the Shipper and LOOP. The Shipper or its designee may witness the retest and bears the costs of processing and settling disputes, except costs of retesting when the results of the retest differ by more than the standards established by ASTM Test Procedures.

9. CRUDE PETROLEUM INVENTORY ADJUSTMENTS

Differences between the volume of Crude Petroleum for which LOOP is accountable under Section 3.8 and the volume of Crude Petroleum in the applicable Crude Segregation are adjusted as needed by LOOP.

10. COMMINGLING

To facilitate completion of a tanker's discharge of Crude Petroleum, limited quantities may be injected and commingled with the discharge of Crude Petroleum from a second tanker.

11. PORT USAGE FEE

Each tanker discharging a Cargo (or any part thereof) at LOOP will be assessed a Port Fee (Item VII. of LOOP's Rate Sheet). LOOP may refuse to accept tankers for discharge whose accounts are past due. LOOP will advise Shippers of any tanker with a past due account.

12. FOREIGN TRADE ZONE OPERATIONS

LOOP is a Foreign Trade Zone Subzone within the U.S. Customs Service Port of New Orleans, Louisiana. As operator of Subzone 124-D, LOOP is required to comply with Foreign Trade Zone regulations. Such regulations require that LOOP establish rules and procedures concerning the offloading and handling of Crude Petroleum to ensure compliance with such regulations.

When LOOP accepts cargoes of Crude Petroleum meeting the specifications listed in Section 1.0 that have been nominated by Shippers for offloading and handling, LOOP has the right to make entry solely for the purpose of filing the Foreign Trade Zone admission document (CF 214) because LOOP has physical possession of the Crude Petroleum at the point at which it enters U.S. Customs territory. As operator of Foreign Trade Zone 124-D, LOOP also has the right to file a CF 214 for purposes other than Foreign Trade Zone admission as long as the activities requested by the Shipper are within Foreign Trade Zones Board authorization. Title to the merchandise remains with the Shipper at all times.

Users of Subzone 124-D (LOOP) agree to adhere to published procedures established and modified by LOOP governing Foreign Trade Zone activity.

End