



**CLOVELLY HUB
TERMINALLING SERVICES
CONNECTING CARRIER RECEIPTS
TERMS AND CONDITIONS
OF
SERVICE**

July 2018

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TERMINALLING SERVICES – CONNECTING CARRIER RECEIPTS
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INTRODUCTION

LOOP operates a facility at Clovelly, Louisiana for the receipt, storage, and redelivery of Crude Petroleum to third party pipelines. This document sets forth the terms and conditions under which LOOP will provide terminalling services for Shippers who receive Crude Petroleum from connecting carrier pipelines at the Clovelly facilities, and is available on the LOOP Website or may be obtained upon request from LOOP.

These terms and conditions contemplate a traditional private terminalling relationship whereby Shippers manage their own inventory at the Clovelly facility by separately arranging deliveries and receipts of Crude Petroleum.

LOOP reserves the right to change these terms and conditions without prior notice. While LOOP will make every effort to apprise its Shippers of any such change, the Shipper has the obligation to abide by the current terms and conditions.

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ABBREVIATIONS AND DEFINITIONS

Assay

An evaluation, including API Gravity, Reid Vapor Pressure, Pour Point, nickel and vanadium content in residuum, C2-C5 content, 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, Mercaptans and H₂S content of Crude Petroleum.

ASTM

American Society for Testing and Materials

Barrel

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

Batch

A volume of Crude Petroleum received or delivered as an identifiable unit.

Blending

The combination of two or more types of Crude Petroleum or Crude Segregations into a single Batch.

Capacity Allocation Contract (CAC)

A contract giving the owner the ability to store crude oil in the quantity of 1,000 barrels of LOOP Sour for a specified calendar month in the LOOP Sour Storage.

Capacity Allocation Contract (CAC) Auction

The auction which LOOP conducts to sell Capacity Allocation Contracts to the market.

Crude Petroleum

The direct liquid hydrocarbon production from oil wells in its natural form, a blend of such, or a stable homogenous mixture of hydrocarbons, similar to and obtained from coal, oil shale and tar sands, that has undergone processing to separate liquid or condensate hydrocarbons from all waste streams and solvents.

Crude Segregation

A common stock in which Crude Petroleum with compatible characteristics is handled

Crude Stream

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

Crude Title Transfer

The transfer of ownership of Crude Petroleum in LOOP's custody from one Shipper to another Shipper.

Customer

The party who contracts with LOOP for LOOP Sour Storage.

Day

*Issue Date: June 11, 2018
Effective Date: July 12, 2018*

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The time elapsed from 00:00 hours to 23:59 hours the same day, U.S. Central Standard or Central Daylight Savings time, whichever is in effect that Day.

Delivery Connecting Carrier Pipelines

Those pipelines originating at the Terminal.

Force Majeure

Any cause of an event or occurrence which is reasonably beyond the control of a person including, without limitation, fire, explosion, tropical storms, flooding, strikes or other labor disputes, natural disasters, or actions of any governmental authority. The foregoing notwithstanding, Force Majeure does not mean an act or omission of a Shipper or mechanical malfunctions of connecting carriers.

Gravity

API Gravity at 60°F as determined by MPMS.

In-Line Blending

Blending of Crude Petroleum from two sources within the piping used for delivering to a Delivery Connecting Carrier Pipeline.

LOOP

LOOP LLC, a Delaware limited liability company.

LOOP Sour

Crude Petroleum with specifications defined in NYMEX Chapter 506, LOOP Gulf Coast Sour Crude Oil Futures.

LOOP Sour Storage

LOOP-provided storage of Shipper's Crude Petroleum made up of LOOP Sour crude types.

LOOP Website

An electronic file or files 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 of Crude Petroleum determined in accordance with the applicable API Manual of Petroleum Measurement Standards (MPMS).

MPMS

The API Manual of Petroleum Measurement Standards.

Net Batch Volume

The gross volume of a Batch (measured in Barrels), adjusted for temperature to sixty degrees Fahrenheit (60°F), less Water and Sediment Content.

Nomination

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A monthly request for Terminalling Services, for a stated quantity of Crude Petroleum to be received via a Receipt Connecting Carrier Pipeline or delivered via a Delivery Connecting Carrier Pipeline, given in accordance with Sections 3.1 and 5.1.

NYMEX

Designated contract market operated by the New York Mercantile Exchange Inc., or its successor.

Oil Loss Allowance

One-tenth of one percent (0.1%) of the volume of Crude Petroleum received into the Terminal, including barrels received from the Mars System, to cover losses typically associated with handling of Crude Petroleum including evaporation, shrinkage and other operational losses inherent to operation of a batched transportation system.

Port Complex

The marine offloading terminal in the Gulf of Mexico, and facilities for the offloading, transporting, storing and delivering of Crude Petroleum received at the marine terminal, to connecting carriers at Clovelly, Louisiana, operated by LOOP.

Pounds Per Square Inch Gauge (psig)

Pressure measured relative to atmospheric pressure taken as zero.
Clovelly Hub Terminalling Services

Pour Point

The lowest temperature in degrees Fahrenheit (°F) at which movement of Crude Petroleum is observed under conditions of the test, as determined by ASTM D-97, Test Method for Pour Point of Petroleum Products.

Quality Program

A program, available on the LOOP Website or by written request to LOOP, that defines the quality specifications, monitoring and testing protocol, and consequence model for deliveries of certain types of Crude Petroleum into a Crude Segregation.

Rate Sheet

Clovelly Hub Terminalling Services-Connecting Carrier Receipts Rate Sheet.

Receipt Connecting Carrier Pipelines

Those third party pipelines terminating at the Terminal which deliver Crude Petroleum to LOOP for the account of Shippers.

Reid Vapor Pressure

The vapor pressure of Crude Petroleum expressed as pounds per square inch (psi) as determined by ASTM D-323, Test Method for Vapor Pressure of Petroleum Products (Reid Method).

Scheduling Procedure

LOOP's procedure, available upon written request to LOOP, that defines the method used to schedule the receipt and delivery of Crude Petroleum pursuant to Nominations.

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Segregation Storage

LOOP provided storage of Shipper's Crude Petroleum in a Crude Segregation.

Shipper

The party who contracts with LOOP for Terminalling Services.

Shipper Tank

Tank storage capacity that is the subject of a tank services agreement between LOOP and a LOOP Shipper.

Storage Futures Settlement Price

The futures price which receives the marginal volume of Rights to Store during the CAC Auction.

TAN (Total Acid Number)

The amount of potassium hydroxide in milligrams that is required to neutralize the acid in one gram of Crude Petroleum as determined by ASTM D-664, Standard Test Method for Acid Number of Petroleum Products by Potentiometric Titration.

Tank Blending

Blending services performed in a tank.

Terminal

Those facilities involved in providing Terminalling Services at LOOP's Clovelly, Louisiana Crude Petroleum logistics hub, together with modifications or additions thereto.

Terminalling Services

The receipt of Crude Petroleum at the Terminal from Receipt Connecting Carrier Pipelines for the account of a Shipper and the transfer of such Crude Petroleum for storage to a Customer Tank or Segregation Storage, as directed by Shipper pursuant to Section 3.1, and redelivery of such Crude Petroleum to Delivery Connecting Carrier Pipelines as directed by the Shipper pursuant to Section 5.1, together with Measurement and reporting incidental thereto.

Viscosity

A measure of a liquids resistance to flow as determined by ASTM D-445, Standard Test Method for Kinematic Viscosity of Transparent and Opaque Liquids, and expressed in Centistokes (cSt).

Viscosity Surcharge

A fee, set forth in the Rate Sheet, assessed for handling Crude Petroleum with Viscosity in excess of the limit specified

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)

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The weight percentage of total sulfur in Crude Petroleum as determined by ASTM D-4294, Standard Test Method for Sulfur in Petroleum and Petroleum Products by Energy Dispersive X-ray Fluorescence Spectrometry.

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1. SPECIFICATIONS OF CRUDE PETROLEUM

LOOP's specifications for Crude Petroleum offered for Terminalling Services are the following:

- API Gravity: 18° API minimum to 62° API maximum
- Pour Point: 50° F maximum
- Reid Vapor Pressure: 10.0 psi maximum at 100°F
- TAN: 5 maximum
- Temperature: 125°F maximum
- Viscosity: 215 cSt at 100°F maximum (subject to Viscosity Surcharge for 21cSt and above)
- Water and Sediment Content: 2% maximum

The minimum API Gravity for Crude Oil to be accepted into cavern storage is 22° API.

In addition to the foregoing, certain types of Crude Petroleum accepted into Crude Segregations may be subject to additional requirements as set forth in a Quality Program. Notwithstanding the existence of any such Quality Program, LOOP shall have no liability for variations in the quality of Crude Petroleum occurring while in LOOP's custody.

Allowable Crude Petroleum grades for LOOP's Crude Segregations are available on the LOOP Website or may be obtained upon request from LOOP. The allowable Crude Petroleum grades are subject to change from time to time at LOOP's discretion.

- 1.1** LOOP may decline to provide Terminalling Services with respect to any Crude Petroleum not meeting all of the specifications.

A waiver may be granted with respect to Crude Petroleum which does not meet one or more of the specifications where, in LOOP's sole discretion, handling it will not create an unacceptable operational, safety or environmental risk for LOOP. Upon request by LOOP, Shipper must provide a current Assay of the Batch of Crude Petroleum prior to handling. Notwithstanding the above, Shipper is responsible for any damages caused to 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 specifications provided in Section 1, whether or not a waiver was granted by LOOP.

- 1.2** LOOP may decline to provide Terminalling Services with respect to any Crude Petroleum that meets the specifications if, in LOOP's discretion, such Crude Petroleum will create an unacceptable operational, safety or environmental risk.

- 1.3** Allowable Crude Petroleum grades for LOOP's Crude Segregations are available on the LOOP Website or may be obtained upon request from LOOP; the allowable Crude Petroleum grades are subject to change from time to time at LOOP's discretion.

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2. TERMINALLING SERVICES

- 2.1** LOOP agrees, subject to these terms and conditions, to furnish Terminalling Services with respect to Crude Petroleum received pursuant to Shipper's Nominations.
- 2.2** Shipper agrees to pay for Terminalling Services and services incidental thereto, the applicable rates set forth in the Rate Sheet.
- 2.3** Shipper acknowledges and agrees that some of the facilities used to provide Terminalling Services are also used in LOOP's Port Complex operations, and that Terminalling Services are provided by LOOP independent thereof and subject thereto. Shipper also acknowledges that some of the facilities used by LOOP to provide Terminalling Services are used as terminal facilities by various pipeline systems.

3. RECEIPTS

- 3.1** Shipper will provide LOOP with Nominations by the 25th Day (or, if the 25th Day of a month is on a weekend or holiday, the last preceding business Day) of the month preceding the month of Terminalling Services to be scheduled. Each Nomination will specify:
- a) the size and Crude Petroleum type of each Batch;
 - b) the estimated date of receipt by LOOP of each Batch from the Receipt Connecting Carrier Pipeline;
 - c) the designation of a Shipper Tank, Segregation Storage, or LOOP Sour as the mode of storing each Batch, and
 - d) if Shipper Tank is designated as the place of storage of a Batch and Shipper is not a party to a tank services agreement with LOOP for the designated Shipper Tank, evidence of authority for use from the relevant party to the tank services agreement for the Shipper Tank is required.
 - e) If LOOP Sour Storage is designated as the place of storage of a Batch, the Shipper must provide disposition plans for receipt and delivery of that Batch within the balance of the month of storage. LOOP will not honor a schedule submitted after the 25th of the month of storage.

LOOP may, but is not obligated to, accept and schedule requests for changes in existing Nominations or additional Nominations submitted after the deadline set forth in this Section; provided, LOOP will accept and schedule changes in Nominations resulting from prorationing of capacity by a Receipt Connecting Carrier Pipeline. LOOP is authorized in all respects by Shipper's instructions pursuant to initial and revised Nominations.

- 3.2** A Batch receipt shall be deemed completed when it is fully transferred into the Terminal for storage in a Shipper Tank, Segregation Storage or LOOP Sour as specified in the Nomination corresponding to the Batch.
- 3.3** 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 the Oil Loss Allowance, is the net receipt Batch volume for which LOOP is accountable to

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Shipper. LOOP determines quality measurements from samples obtained in accordance with sampling procedures required by U.S. Customs, LOOP's Measurement Manual or otherwise found in MPMS.

- 3.4** LOOP will coordinate receipts of Crude Petroleum from the Receipt Connecting Carrier Pipeline using the Scheduling Procedure, and considering Terminal capacity and the requirements of its Port Complex operations. LOOP has no obligation to accept a Nomination for Terminalling Services in a month if the Terminalling Services are deemed by LOOP, in its sole discretion, to be inconsistent with the operation of the Port Complex in the month. In any month in which LOOP is unable to accept all Nominations for Terminalling Services, each Shipper will receive that percentage of Terminalling Services capacity available, if any, equal to the percentage determined by dividing the Shipper's Nominations by the total Nominations received from all Shippers in the month.
- 3.5** LOOP has no obligation to accept Batches of less than 30,000 Barrels.
- 3.6** LOOP may reject the Nomination of a Shipper with respect to any Batch designated by Shipper for storage in a Shipper Tank if the Shipper lacks a contractual arrangement for a Shipper Tank for storage of the Batch.
- 3.7** LOOP will reject any Nomination for Terminalling Services in any month other than the one immediately following the month in which the Nomination is submitted.
- 3.8** LOOP may reject the Nomination of a Shipper which is, at the time of Nomination, in default of or noncompliance with these terms and conditions or the Scheduling Procedure.

4. STORAGE

- 4.1** Crude Petroleum in Segregation Storage is in Crude Segregations of single and mixed Crude Streams. Crude Stream(s) specifications and/or quality ranges for each Crude Segregation are established by LOOP based on anticipated throughput demand and quality characteristics of individual Crude Streams, which limit their acceptability to be commingled with other Crude Petroleum. Crude Segregation specifications, and designation of Crude Segregations that are available in Segregation Storage, are available on the LOOP Website or may be obtained upon request from LOOP. The specifications and designations of Crude Segregations established by LOOP are subject to change from time to time at LOOP's discretion. LOOP is not obligated to establish a Crude Segregation for any Crude Petroleum type that is the subject of any Nomination.
- 4.2** Segregation Storage is provided on the following terms:
- a) Shipper will pay, as a fee for the initial thirty Days' Segregation Storage of a Batch, the dollar amount determined by multiplying the Net Batch Volume (after deducting the Oil Loss Allowance) by the per barrel Segregation Storage rate set forth in the Rate Sheet. Segregation Storage begins when the last Barrel of a Batch is metered into the Terminal.
 - b) LOOP can terminate Segregation Storage at any time after the initial thirty Days, upon thirty Days' advance notice of termination.

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- c) After the initial thirty Days, Segregation Storage of a Batch will be on a day to day basis, subject to storage charges as set forth in the Rate Sheet, and subject to termination pursuant to Section 4.2(b); provided, storage charges shall not accrue with respect to Batch volumes where delay in removal of Crude Petroleum from Segregation Storage results from Shipper's inventory being less than the minimum volume required for delivery to a Delivery Connecting Carrier Pipeline, an event of Force Majeure, or the fault of LOOP.

4.3 Crude Petroleum transferred into a Shipper Tank pursuant to Terminalling Services may, upon Shipper request or pursuant to Section 6, be commingled with Crude Petroleum transferred into the Shipper Tank from time to time via Port Complex operations. Under Port Complex operations, Crude Petroleum is handled in Crude Segregations of a single Crude Stream or mixed Crude Streams. The terms and conditions of this Section 4 will, to the fullest extent possible under the law, be construed to be and applied consistent with counterpart provisions of the terms and conditions governing Port Complex services in effect from time to time. With respect to any issue arising from simultaneous storage of Crude Petroleum pursuant to both Terminalling Services and Port Complex operations, as to which consistent outcomes under application of these terms and conditions and the terms and conditions governing Port Complex operations cannot be obtained, LOOP and Shipper will be bound by the outcome resulting from application of the terms and conditions governing Port Complex operations.

4.4 Crude Petroleum in LOOP Sour Storage must be of LOOP Sour crude types. LOOP Sour crude type specifications are available on the LOOP Website or may be obtained upon request from LOOP. The specifications and designations of LOOP Sour established by LOOP are subject to change from time to time at LOOP's discretion.

4.5 LOOP Sour Storage is provided on the following terms:

- a) Shipper must purchase CACs sufficient to cover Batch size for receipt into LOOP Sour Storage. The required CAC volume is determined by deducting the Oil Loss Allowance from the Net Batch Volume.
- b) The CAC is the allocation of capacity for a Shipping Month
- c) Any barrels remaining in LOOP Sour Storage not covered by a current CAC will be subject to storage charges as set forth in the Rate Sheet.

5. DELIVERIES

5.1 Shipper will provide LOOP with delivery Nominations by the 25th Day (or, if the 25th Day of a month is on a weekend or holiday, the last preceding business Day) of the month preceding the month of deliveries to Delivery Connecting Carrier Pipelines to be scheduled. Each Nomination will specify the Delivery Connecting Carrier Pipeline, the size and Crude Petroleum type of each Batch, and the estimated date of delivery by LOOP of each Batch to the Delivery Connecting Carrier Pipeline. LOOP is authorized in all respects by Shipper's instructions pursuant to Nominations.

5.2 Deliveries to Delivery Connecting Carrier Pipelines are made in Batches of not less than 75,000 Barrels to 48" Delivery Connecting Carrier Pipelines, and 30,000 Barrels to 24" Delivery Connecting Carrier Pipelines.

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- 5.3** LOOP has no fixed delivery cycle. LOOP coordinates Shipper's delivery Nominations considering its Terminal capacity, its delivery capabilities, the requirements of its Port Complex operations and the capabilities of Delivery Connecting Carrier Pipelines to accept deliveries. Upon request, LOOP will provide assistance to Shippers in coordinating schedules and scheduling deliveries to Delivery Connecting Carrier Pipelines. However, the ultimate responsibility for arranging delivery of Crude Petroleum from the Terminal rests with the Shippers. Shipper shall arrange the prompt receipt of its Crude Petroleum delivered by LOOP to Delivery Connecting Carrier Pipelines.
- 5.4** Receipt by LOOP of a Batch from a Receipt Connecting Carrier Pipeline does not ensure that the Batch will be accepted by any of the Delivery Connecting Carrier Pipelines. Shipper, and not LOOP, is responsible to confirm the acceptability of the gravity, metals content, sulfur content, TAN, Viscosity, suspended water and/or sediment, presence of other hydrocarbons and other quality characteristics of a Batch to be delivered by LOOP to any of the Delivery Connecting Carrier Pipelines. Shipper is responsible for all storage and disposition costs incurred by LOOP as a result of the rejection of a Batch by a Delivery Connecting Carrier Pipeline.
- 5.5** The volume of Crude Petroleum delivered to Connecting Carrier Pipelines is measured in 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 Batch volume for which LOOP is accountable to Shipper. LOOP determines quality measurements from samples obtained in accordance with sampling procedures required by U.S. Customs, LOOP's Measurement Manual, or otherwise found in MPMS.
- 5.6** Upon Shipper request or pursuant to Section 6, Crude Petroleum delivered to Delivery Connecting Carrier Pipelines pursuant to Terminalling Services may be commingled with Crude Petroleum delivered by LOOP from time to time pursuant to Port Complex operations. The terms and conditions of this Section 5 will, to the fullest extent possible under the law, be construed to be and applied consistent with counterpart provisions of the terms and conditions governing Port Complex services in effect from time to time. With respect to any issue arising from simultaneous delivery of Crude Petroleum pursuant to both Terminalling Services and Port Complex operations, as to which consistent outcomes under application of these terms and conditions and the terms and conditions governing Port Complex operations cannot be obtained, LOOP and Shipper will be bound by the outcome resulting from application of the terms and conditions governing Port Complex operations.

6. STORM PREPARATIONS

- 6.1** The Terminal 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 the Terminal, LOOP will provide a Shipper with Crude Petroleum stored in tanks advance notice of the need to adjust (either to increase or decrease) its volume of Crude Petroleum in the tank. Each Shipper shall advise LOOP, within the time specified by LOOP, 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 tanks to achieve the requisite volume.

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- 6.2** LOOP may move Shipper's Crude Petroleum within the Terminal tank(s) or move any Shipper's Crude Petroleum from tank to caverns or Delivery Connecting Carrier Pipelines. LOOP will endeavor to use a Crude Petroleum designated by the Shipper, or a substantially similar Crude Petroleum when available.
- 6.3** 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.

7. BLENDING AND PUMPOVER

- 7.1** Tank Blending services will be performed based on Shipper requests and the Crude Petroleum types supplied by the Shipper for the blend, but an exact blend is not guaranteed. LOOP will provide a sample of the blend to Shipper upon request. If the Shipper's requested blend results in Crude Petroleum that is not capable of being pumped from LOOP's Blending tank, the costs of remediation including, but not limited to, costs of removal by other means, and any loss of profit or loss of business opportunity incurred by LOOP, will be for the account of the Shipper.
- 7.2** In-Line Blending services may be provided upon Shipper's request and at LOOP's option. This service is limited by Terminal availability, blend ratios achievable and the accuracy of the percentage of each stream delivered, and an exact blend is not guaranteed. In-Line Blending services are not available if providing them will interfere with Port Complex operations or other pipeline deliveries. Accuracy of Measurement of a Crude Petroleum blend resulting from In-Line Blending services may differ from the results of Measurement of unblended Crude Petroleum based on blend ratios.
- 7.3** Charges for Blending services are determined in accordance with the Rate Sheet.
- 7.4** Tank Blending and In-Line Blending may, pursuant to Shipper's blending request, result in Crude Petroleum received by LOOP in providing Terminalling Services being blended with Crude Petroleum received by LOOP from time to time via Port Complex operations. The terms and conditions of this Section 7 will, to the fullest extent possible under the law, be construed to be and applied consistent with counterpart provisions of the terms and conditions governing Port Complex services in effect from time to time. With respect to any issue arising from simultaneous blending of Crude Petroleum pursuant to both Terminalling Services and Port Complex operations, as to which consistent outcomes under application of these terms and conditions and the terms and conditions governing Port Complex operations cannot be obtained, LOOP and Shipper will be bound by the outcome resulting from application of the terms and conditions governing Port Complex operations.
- 7.5** LOOP may move Crude Petroleum within LOOP storage at the Terminal upon Shipper's request and at LOOP's option. Rates for such pumpovers are set forth in the Rate Sheet.

8. TITLE AND CUSTODY

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- 8.1** The terms and conditions of this Section 8 will, to the fullest extent possible under the law, be construed to be and applied consistent with counterpart provisions of the terms and conditions governing Port Complex services in effect from time to time. With respect to any issue arising from title to or custody of Crude Petroleum pursuant to both Terminalling Services and Port Complex operations, as to which consistent outcomes under application of these terms and conditions and the terms and conditions governing Port Complex operations cannot be obtained, LOOP and Shipper will be bound by the outcome resulting from application of the terms and conditions governing Port Complex operations.
- 8.2** Except as provided in Sections 11 and 13, title to Crude Petroleum received at the Terminal for Shipper's account will always remain with Shipper.
- 8.3** LOOP assumes custody of Crude Petroleum at the time the Crude Petroleum passes the point of connection between the Receipt Connecting Carrier Pipeline and the Terminal, and at all times until the Crude Petroleum passes the point of connection between the Terminal and a Delivery Connecting Carrier Pipeline.

9. PAYMENT

- 9.1** Shipper is responsible for payment of all charges and fees applicable to Terminalling Services, Storage and other services provided. Charges for Terminalling Services are assessed on gross volumes of Crude Petroleum received prior to any deduction for Water and Sediment Content and for the Oil Loss Allowance.
- 9.2** LOOP bills Shipper for all charges and fees promptly following Batch receipt and payment is required within fifteen (15) calendar Days from the date of the invoice, except as provided in paragraph a, b or c below.
- a) At Shipper's request and at LOOP's option, Shipper may be billed a single monthly invoice for all Terminalling Services and other services provided during a 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, prior to providing Terminalling Services, require evidence of Shipper's ability to pay charges and fees and provide security for an extension of credit.
- b) As per paragraph 4.5(c), LOOP bills Shipper for all related charges and fees promptly following expiry of the CAC and payment is required within five (5) calendar Days from the date of the invoice.
- c) Shippers will be billed for certain services set forth in sections 3-6 of the Rate Sheet immediately upon completion of those services. Payment is required within 5 calendar Days from date of the invoice.
- 9.3** In addition to the charges accruing on Crude Petroleum accepted for Terminalling Services or other services, 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.

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- 9.4** If all or any portion of an 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.
- 9.5** LOOP may refuse to receive from, transfer or deliver Crude Petroleum to a Shipper having a payment to LOOP that is past due.

10. SECURITY INTEREST

- 10.1** LOOP has a lien, and Shipper hereby grants LOOP a security interest, on any Crude Petroleum (including LOOP Sour) in the Terminal owned by a Shipper and on the proceeds from the sale of such Crude Petroleum, as security for the payment of charges or fees owed LOOP for Terminalling Services or for the payment of other costs or charges incurred in relation to such Crude Petroleum, including, but not limited to, insurance, labor costs, attorney's fees and expenses of sale.
- 10.2** Without limiting the foregoing, in enforcing its lien and security interest LOOP at its option (a) may sell, assign, transfer and effectively deliver all or any part of the Crude Petroleum subject to LOOP's security interest at public or private sale, without recourse to judicial proceedings and without demand, appraisal or advertisement, all of which are hereby waived by Shipper to the fullest extent permitted by law, and (b) may cause all or any part of the Crude Petroleum to be seized and sold, under executory process, under writ of fieri facias issued in execution of an ordinary judgment obtained upon the obligations of Shipper to LOOP, or under other legal procedure. For purposes of executory process, Shipper acknowledges the indebtedness owed to LOOP, confesses judgment in favor of LOOP for the full amount of the indebtedness owed LOOP, and agrees to enforcement by executory process. Shipper waives (a) the benefit of appraisal provided in Art. 2723 of the Louisiana Code of Civil Procedure, and (b) the demand and three (3) Days delay provided by Articles 2639 and 2721, Louisiana Code of Civil Procedure. If the proceeds from the sale or enforcement of the Crude Petroleum are insufficient to satisfy all of the indebtedness owed LOOP in full, all parties obligated thereon shall remain fully obligated for any deficiency.
- 10.3** A purchaser in good faith of Crude Petroleum sold to enforce LOOP's 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.
- 10.4** The rights and remedies of LOOP hereunder are cumulative, may be exercised singly or concurrently, and are in addition to any rights and remedies of LOOP under applicable law.

11. DISPOSITION OF CRUDE

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- 11.1** LOOP reserves the right to make arrangements as it deems appropriate to clear the Terminal of Crude Petroleum that has remained in storage for an amount of time deemed by LOOP, in its sole discretion, to be detrimental to Terminal or Port Complex operations. In furtherance and not limiting of the foregoing, LOOP may, after giving Shipper thirty days' prior written notice, exercise this right by moving Shipper's Crude Petroleum remaining in the Terminal into different caverns, tanks or Delivery Connecting Carrier Pipelines, and will endeavor to comingle it with substantially similar Crude Petroleum if available. LOOP shall have no liability for any loss or degradation in the value of Crude Petroleum so moved by LOOP.
- 11.2** Except for LOOP Sour Storage, the Shipper agrees that Crude Petroleum received pursuant to terminalling services and remaining in LOOP's custody more than thirty days after the last month in which such services were rendered to Shipper ("Stale Balances") shall be subject to the storage charges provided in LOOP's then current Rate Sheet,. In addition, the Stale Balances shall be subject to sale by LOOP on the following terms and conditions. LOOP shall have the right from time to time to aggregate the Stale Balances with other Crude Petroleum balances in LOOP's custody to be sold by LOOP to any unaffiliated purchaser at a price deemed commercially reasonable by LOOP. LOOP shall give Shipper written notice delivered to the last known address available for Shipper of Shipper's share of the proceeds of such sale (reduced by accrued storage charges). Shipper shall have ninety (90) days after the mailing of such notice by LOOP to confirm in writing the address to which it wishes LOOP to send such net proceeds. Shipper acknowledges that if it fails to contact LOOP, LOOP shall be authorized to distribute such proceeds to the State of Louisiana or other applicable jurisdiction pursuant to the unclaimed property or escheat laws of such state or jurisdiction.
- 11.3** Any barrels remaining in LOOP Sour Storage not covered by a current CAC shall be subject to storage charges of the greater of \$0.50 per barrel or three (3) times the Futures Clearing Price per barrel from the most recent auction. For each month crude oil remains in LOOP Sour Storage, the storage fee will be readjusted in accordance with the preceding sentence.

12. LIABILITY OF LOOP

- 12.1** LOOP will transfer Crude Petroleum designated by Shipper for storage in a Shipper Tank into the applicable tank and make delivery to Shipper from the same tank. LOOP will transfer Crude Petroleum stored in Segregation Storage into a Crude Segregation and make delivery to Shipper from the same Crude Segregation. LOOP is not liable for variations in the quality of Crude Petroleum resulting from Terminalling Services operations, and is under no obligation to deliver to any party the identical Crude Petroleum received at the Terminal.
- 12.2** 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, Force Majeure events, delay of performance by suppliers or contractors, Receipt Connecting Carrier Pipelines, Delivery Connecting Carrier Pipelines, or acts or omissions of Shipper. In the case of loss or damage from such causes to Crude Petroleum in a Shipper Tank, the loss or damage shall be charged to the Shipper. In the case of loss or damage from such causes to Crude Petroleum in Segregation Storage or LOOP Sour Storage, the loss or damage shall be charged to the Crude Segregation sustaining such loss or damage and the loss or damage shall

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be deducted proportionately from each Shipper's inventory in such Crude Segregation in the ratio that the Shippers' 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 invoices will be proportionately adjusted by the amount of such volume deduction. LOOP is not responsible or liable for consequential damages.

12.3 By authorizing LOOP's receipt of Crude Petroleum from a Receipt Connecting Carrier Pipeline pursuant to a Nomination, 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 to the Crude Petroleum.

13. CRUDE TITLE TRANSFERS

13.1 LOOP may recognize a Crude Title Transfer 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 Petroleum type or Crude Segregation, e) the date of the requested transfer, f) the date storage charges will begin to accrue for the account of the transferee, and g) the party responsible for LOOP's charges and fees.

13.2 Following a Crude Title Transfer, LOOP shall send a statement denoting ownership transfer to both parties. Any transferee in a Crude Title Transfer becomes a Shipper and is subject to any and all applicable provisions or requirements contained in these terms and conditions, including amendments thereto, and the Rate Sheet. All deliveries shall be made to and for the account of the last party receiving the transfer.

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

13.4 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 Crude Title Transfer. LOOP shall incur no liability with respect to any recognized or unrecognized Crude Title Transfer or for any loss or damage of any kind accruing to any party involved in a Crude Title Transfer.

13.5 Without limiting the foregoing, LOOP's lien and security interest, pursuant to Section 10, on and in Crude Petroleum that is the subject of a Crude Title Transfer will not secure any obligations of the transferor to LOOP from and after the moment of transfer, but will secure the transferee's obligations to LOOP from and after the moment of transfer.

13.6 LOOP may reject any request for a Crude Title Transfer if any event of default exists with respect to the performance by Shipper of its obligations to LOOP, or the requirements of this Section 13 are not satisfied.

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13.7 Crude Petroleum that is pumped from the Segregation 17 storage into LOOP Sour Storage must be free from all import duties with the following exceptions: a) Import duties need not be paid prior to entering LOOP Sour Storage if the Shipper who pumps Crude Petroleum from Segregation 17 storage into LOOP Sour Storage is the same Shipper who delivers those barrels to a refinery, b) For a barrel of Crude Petroleum that entered LOOP Sour Storage under section 7.6.1, all import duties must be paid prior to transferring that barrel to another Shipper while in LOOP Sour Storage, c) For a barrel of Crude Petroleum that entered LOOP Sour Storage under section 7.6.1, all import duties must be paid prior to transferring that barrel to another Shipper in St. James, Louisiana.

14. CLAIMS, SUITS, TIME FOR FILING

14.1 As a condition precedent to recovery, claims must be filed in writing with LOOP's Manager – Oil Movements within nine months after delivery of Crude Petroleum to Shipper for its account 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.

14.2 LOOP maintains samples of Crude Petroleum received 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.

15. CRUDE PETROLEUM INVENTORY ADJUSTMENTS

15.1 LOOP may adjust the receipt or delivery Net Batch Volume of a Batch and the volume of Crude Petroleum in any applicable Crude Segregation as required to correct Measurement or linefill calculations, to correct errors resulting from interruptions in operations, or otherwise to remedy inaccuracies in Shipper inventory accounts.

15.2 From time to time LOOP will request assistance from Shippers to clear positive and negative inventory balances. Shipper agrees to use reasonable efforts to clear such inventory imbalances in a timely manner. In the event that LOOP's attempts to clear the inventory imbalances are unsuccessful, and any Shipper inventory balance remains unaddressed after a period of two years, LOOP may, at LOOP's sole option, choose to settle such balances without additional notification to said Shipper. In doing so, LOOP will use reasonable efforts to settle with a similar Crude Petroleum or a currently active Crude Petroleum within the Shipper's inventory. If no similar Crude Petroleum exists, LOOP reserves the right to fulfill the adjustment with a Crude Petroleum of LOOP choice.

16. U.S. CUSTOMS AND FOREIGN TRADE ZONE OPERATIONS

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- 16.1** The Terminal 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 receipt and handling of Crude Petroleum to ensure compliance with such regulations.
- 16.2** When LOOP receives Crude Petroleum meeting the specifications listed in Section 1.1 pursuant to a Shipper's Nomination, 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. Title to the Crude Petroleum remains with the Shipper at all times as set forth in Section 8.
- 16.3** Users of Subzone 124-D (LOOP) agree to adhere to published procedures established and modified by LOOP governing Foreign Trade Zone activity.
- 16.4** Previously domesticized foreign origin Crude Petroleum, e.g. Canadian crude oil arriving into LOOP's Foreign Trade Zone from a Receipt Connecting Carrier Pipeline, must still be accompanied by a USCF 3461 / 7501 documenting that entry has been filed and duties have been paid.

End