

WARNER PETROLEUM CORPORATION

PRODUCT SALES TERMS ("GENERAL PROVISIONS")

1. **DEFINITIONS AND INTERPRETATION.** These PRODUCT SALES TERMS ("General Provisions") shall apply to all truck and/or rail (non-marine) purchases made under a Sales Agreement between Seller, Warner Petroleum Corporation, and Buyer/Purchaser as defined in the Sales Agreement. These terms and conditions are hereby incorporated by reference in all non-marine sales by Warner Petroleum Corporation.

2. **PAYMENT.** Payment terms are in accordance with the Sales Agreement. Payment will be made without offset, deduction, or counterclaim. If Seller does not receive payment when due, Seller may impose a late payment charge not to exceed the maximum amount allowed by law, and if the account is placed for collection or suit is filed thereon, Seller will be entitled to attorney fees and court costs.

3. **CREDIT.** If Seller, at any time, has reasonable grounds for insecurity as to Buyer's creditworthiness or performance hereunder, Seller may, in its reasonable and sole discretion, require Buyer to: (i) prepay Seller the full purchase price by wire transfer of immediately available funds, (ii) post a reasonably acceptable irrevocable standby letter of credit, or (iii) provide another form of security or credit support reasonably acceptable to Seller. In the event the above requirements have not been satisfied within the time limits specified by Seller, Seller will have the right, at its sole discretion, to exercise, without limitation: refusing future orders, suspending shipment on any pending orders, canceling pending orders for which Seller has not been paid, terminating the Agreement, or suspending its performance under the Agreement until Buyer provides such assurance of financial performance. Seller's delivery of Product hereunder prior to Buyer providing assurance of financial performance as set forth above, shall not operate as a waiver of Seller's rights to immediately impose the credit support obligations under this Section or at any future time prevent Seller from promptly exercising any other option, right or remedy that it may have under the terms of the Agreement. The exercise by Seller of any right reserved under this Section shall be without prejudice to any claim for damages or any other right under the Agreement or Applicable Law.

4. **TAXES AND FEES.** Buyer will pay and indemnify Seller for all taxes, fees, duties, environmental levels and other charges (whether imposed on manufacture, processing, use, purchase, sale, resale, delivery, receipt, title transfer, inspection, removal from storage, measurement or passage through a measurement device, receipt of payment, or other activity, and regardless of when imposed) relating to the Product or their raw materials or feedstocks. The sole exception to this obligation is taxes based on or measured by Seller's income or net worth.

Upon account set up, Buyer will furnish Seller with Buyer's appropriate state tax registration numbers, its federal identification number and any applicable tax exemption certificates. Buyer will promptly inform Seller of any changes to its tax registration or exemption status that may occur after account setup.

5. **SAFETY AND HEALTH.** Buyer will thoroughly review and adhere to all SDS, and other safety-related information provided by Seller concerning the Product, including the recommended use, restriction on use, precautionary measures and exposure controls for Product as described in the SDS. Buyer acknowledges the hazards and assumes the risks associated with handling and using Product. Product SDS are available at the following internet address:

<http://www.warnerpetroleum.com> or such other location as Seller may specify from time to time. Buyer may request to receive SDS via email by contacting the Seller at contact@wpcgroup.us

Buyer acknowledges that the vapor space in storage containers may contain lethal levels of hydrogen sulfite gas (H₂S). Buyer will provide adequate warnings and safe handling information about H₂S to its customers, employees, agents, contractors and invitees, and will require them to further communicate the warnings and information to all persons that they reasonably foresee may be exposed to or handle any storage containers that may contain H₂S. The warnings and information will include a communication that lethal levels of H₂S may be present, along with a statement of adequate precautions and the information contained in the SDS.

Buyer will, and will cause its employees, agents and subcontractors to comply with all applicable safety standards, policies, practices and rules of conduct mandated by Seller in connection with the performance of this Agreement.

(a) For FOB truck sales from the Seller's Terminal, Buyer or its carrier will be required to execute an applicable Terminal Access Agreement prior to entering Seller's Terminal. All FOB railcars calling upon the Seller's Terminal may be vetted and approved by Seller's vetting organization prior to arrival at Seller's Terminal. Seller has the right to refuse entrance or loading of any truck or railcar if it does not pass Seller's vetting standards.

(b) For all Delivered or FCA sales, prior to delivery to Buyer, Seller may review and inspect (without obligation to do so) all safety, unloading, transloading and containment procedures and facilities at any location where Product is being delivered, which may include review of Buyer's insurance or location where the Product is unloaded or transloaded. Seller has the right to refuse, or delay, deliveries of Product to Buyer if Seller is not reasonably satisfied with its review or inspection of the foregoing items.

(c) For all Delivered Vessel sales, prior to delivery to Buyer, Seller may review and inspect all safety, unloading, transloading and containment procedure and facilities at any location where Product is being delivered, which may include the review of Buyer's insurance or location where the Product is unloaded or transloaded. Seller has the right to refuse, or delay, deliveries of Product to Buyer if Seller is not reasonably satisfied with its review or inspection of the foregoing items.

6. **WARRANTIES.** Seller warrants (a) good title to Product at the time title passes to Buyer, and (b) Product will comply with applicable Seller's specifications and federal, state, and local rules and regulations in effect at the time and place title and risk of loss passes to Buyer. SELLER DISCLAIMS ALL OTHER WARRANTIES AND MAKES NO REPRESENTATIONS WITH RESPECT TO THE PRODUCT INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR BUYER'S PARTICULAR OR INTENDED PURPOSES OR USAGE. Seller will, in its sole discretion, (a) remedy the defect in; (b) replace; or (c) refund the purchase price paid for any Product that fails to meet this warranty. THIS IS BUYER'S EXCLUSIVE REMEDY FOR BREACH OF WARRANTY.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NOTWITHSTANDING ANY COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE (OR LACK THEREOF), THE PROVISIONS OF THIS SECTION 7 OF THE GENERAL PROVISIONS CONSTITUTE THE SOLE AND EXCLUSIVE OBLIGATIONS OF SELLER WITH RESPECT TO THE SPECIFICATIONS, DESCRIPTION, QUALITY, CONDITION OR FITNESS OF THE PRODUCT, AND EXCEPT FOR THOSE EXPRESSLY STATED IN THE AGREEMENT,

SELLER MAKES NO OTHER (AND EXPRESSLY DISCLAIMS ANY AND ALL) REPRESENTATIONS, GUARANTEES, ASSURANCES, CONDITIONS AND/OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OR MERCHANTABILITY, ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND ANY CONDITIONS OF SATISFACTORY QUALITY OR FITNESS FOR PURPOSES, AS OTHERWISE APPLICABLE.

7. **CLAIMS.** Seller will have no obligation with respect to (a) any claim for Product quality or Product quantity unless notice of such claim is received by Seller within 30 days after title of the subject Product passes to Buyer. Buyer will preserve and permit Seller to inspect and sample the subject Product. **ANY LAWSUIT AGAINST SELLER WHICH INVOLVES THIS AGREEMENT, OR THE SALE OF PRODUCT HEREUNDER, MUST BE BROUGHT WITHIN ONE YEAR AFTER THE CAUSE OF ACTION ACCRUES OR WILL BE BARRED DUE TO PASSAGE OF TIME.**

8. **LIMITATION OF LIABILITY.** IN NO EVENT WILL SELLER'S LIABILITY FOR DAMAGES FOR ANY CLAIM HEREUNDER EXCEED THE PURCHASE PRICE OF THE CORRESPONDING PRODUCT SOLD GIVING RISE TO SUCH CLAIM. SELLER WILL NOT BE LIABLE FOR PUNITIVE, INCIDENTAL, INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

9. **FORCE MAJEURE AND ALLOCATION.** Neither Party will be liable to the other for any delay or failure in performance, other than to make payments when due, to the extent that it is caused by circumstances beyond its reasonable control ("**Force Majeure Event**"), including, without limitation; act of God; explosion, mechanical breakdown; sabotage or vandalism; strike or other labor disturbance; shortages of, or delays in obtaining, crude oil, feedstocks, raw materials, finished products, equipment, labor, transportation or storage; interruption of utility services; interruption or loss of the use of leased terminal facilities; or compliance with Applicable Law, regardless of validity, of any Governmental Authority or military authority. Promptly following the occurrence of a Force Majeure Event, such affected Party will provide the other Party written notice of the occurrence of the event, reason for the declaration, and anticipated duration of the impact. The affected Party's obligations will be suspended to the extent and for the duration the Force Majeure Event impacts its ability to perform under the Agreement and such Party will take reasonable steps to remedy such event. Notwithstanding any provision in this Section, a Party will not be required to settle a labor dispute or take an action that might involve it in a labor dispute.

If, at any time, Seller decides that its Product supply is insufficient for any reason to meet the actual or forecasted needs of Seller, its Affiliates and their customers, whether under contract or not, or if Seller decides at any time that its raw materials are insufficient to produce the Product, Seller may allocate its supply in any manner determined solely by Seller.

10. **INDEMNITY, EXCEPT TO THE EXTENT A COURT MAKES A FINAL DETERMINATION THAT SELLER'S NEGLIGENCE OR INTENTIONAL MISCONDUCT IS THE SOLE CAUSE OF THE DAMAGE, TO THE FULLEST EXTENT PERMITTED BY LAW, BUYER WILL INDEMNIFY, PROTECT, HOLD HARMLESS AND DEFEND SELLER, ITS AFFILIATES AND EACH OF THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL INDEMNITY CLAIMS, ARISING OUT OF, RELATED TO, OR IN CONNECTION WITH: (A) ANY FAILURE OF BUYER, ITS AGENTS, CONTRACTORS OR EMPLOYEES TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT; (B) ANY AND ALL NEGLIGENT ACTS OR OMISSIONS, REGARDLESS OF CAUSE OR CAUSES THEREOF; OR (C) ANY ACT OR FAILURE TO ACT IN THE HANDLING, LOADING, UNLOADING, BLENDING,**

TRANSLOADING, STORAGE, TRANSPORTATION, RESALE, OR OTHER USE, BY BUYER, ITS AGENTS, CONTRACTORS, EMPLOYEES, CUSTOMERS OR OTHERS OF A PRODUCT SOLD UNDER THIS AGREEMENT; OR (D) BUYER'S USE, POSSESSION, OR SUBLEASE OF SELLER'S RAILCAR, EXCEPTING, HOWEVER, ANY INDEMNITY CLAIMS WHICH ACCRUES WITH RESPECT TO ANY SELLER'S RAILCAR (i) WHILE SUCH SELLER'S RAILCAR IN A REPAIR SHOP UNDERGOING REPAIRS THAT ARE THE RESPONSIBILITY OF SELLER; OR (ii) TO THE EXTENT A RAILROAD HAS ASSUMED FULL RESPONSIBILITY, INCLUDING INVESTIGATING AND DEFENDING AGAINST ANY INDEMNITY CLAIMS. IN ADDITION, BUYER WILL PAY ALL COSTS AND EXPENSES, INCLUDING ATTORNEY FEES AND ALL OTHER EXPENSES OF LITIGATION INCURRED BY SELLER TO ENFORCE BUYER'S OBLIGATIONS AS SET FORTH IN THIS SECTION.

FURTHER, ONCE TITLE TO AND RISK OF LOSS ASSOCIATED WITH THE PRODUCT PASSES TO BUYER AS PROVIDED FOR HEREIN, THEN, AS BETWEEN BUYER AND SELLER, BUYER SHALL BE SOLELY RESPONSIBLE AND LIABLE FOR, AND SHALL RELEASE, DEFEND (AT SELLER'S REQUEST AND WITH COUNSEL ACCEPTABLE TO SELLER), INDEMNIFY, AND HOLD SELLER, AS WELL AS SELLER'S AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND CONTRACTORS, HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, SUITS, LOSSES, EXPENSES, COSTS (*INCLUDING WITHOUT LIMITATION, COSTS OF DEFENSE AND/OR SETTLEMENT, ATTORNEYS' FEES, PENALTIES AND INTEREST), DAMAGES, CAUSES OF ACTION AND LIABILITY OF EVERY TYPE AND CHARACTER WITHOUT REGARD TO AMOUNT (TOGETHER, "LOSSES") CAUSED BY, RESULTING FROM, OR OTHERWISE ASSOCIATED WITH (A) THE RELEASE, SPILL, OR DISCHARGE OF ANY PRODUCT INTO THE ENVIRONMENT, INCLUDING ANY RELATED LOSS OR DESTRUCTION OF, OR DAMAGE TO, ANY PROPERTY, OR ANY INJURY TO OR DEATH OF ANY INDIVIDUAL OR MARINE LIFE, AND (B) THE REMEDIATION, CLEANUP, REMOVAL, OR DISPOSAL OF ANY SUCH PRODUCT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER OR SELLER'S AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, OR CONTRACTORS.

11. **DEFAULT.** Seller may terminate this Agreement in the event of a material default by Buyer which is not cured within 10 days after written notice of default is given. Seller may also immediately terminate this Agreement without providing right to cure if Buyer either fails to pay any amount when due or violates the material provisions of this Agreement. The right to terminate is in addition to any other remedy that may be available. A waiver of a default in one instance does not extend to any subsequent default.

The Parties acknowledge that the Agreement is a "**Forward Contract**" as defined in the US Bankruptcy Code (11 USC §101(25)) and the Parties acknowledge they are Forward Contract Merchants as defined in the US Bankruptcy Code (11 USC §101(26)). If one Party (i) commences a case in bankruptcy or a reorganization bankruptcy case or a reorganization or seeks a receivership, (ii) becomes insolvent or incapable of paying its debts as they become due, or (iii) makes a general assignment for the benefit of creditors, the other Party (the "**Liquidating Party**") shall have the immediate right, exercisable in its sole discretion, to liquidate and/or terminate the Agreement and all other forward contracts (as provided by, but not limited to §556 of the Bankruptcy Code) then outstanding between the Parties (whether the Liquidating Party is Seller or Buyer thereunder) by netting and closing out all such contracts at the then current market prices so that each contract being liquidated is terminated except for the settlement payment referred to below. The Liquidating Party shall calculate the difference, if any, between the price specified in each contract so liquidated, and the market price for the relevant commodity as of the date of

liquidation (as determined by the Liquidating Party in any commercially reasonable manner), and aggregate or net such settlement payments, as appropriate, to a single liquidated amount. Payment of said settlement payment will be due and payable within one (1) Business Day after reasonable notice of such liquidation payment. Liquidating, netting and closing out the Agreement and all other forward contracts in addition to any other rights and remedies which the Liquidating Party may have under Applicable Law.

12. **DELIVERY, TITLE, AND RISK OF LOSS.** Unless this Agreement clearly provides otherwise, all sales will be FOB the Seller's Terminal.

(a) **FOB/FCA/CFR/CIF/CPT Sales.** Title to, and risk of loss of, all Product will pass to Buyer as follows:

- (i) Where delivery is into Seller's Railcar or truck and loading is required by Seller for convenience, once Seller's Railcar loaded with Product has exited Seller's Terminal; and
- (ii) for all other deliveries, including into Buyer's railcar, trailer, or truck or Seller's railcar, trailer, or truck for immediate departure, at the Seller's Terminal as the Product passes the last discharge flange of Seller's Terminal into the designated truck or railcar.

(b) **DAT/DAP/DDP Sales.** Title to and risk of loss of all Product will pass to Buyer at the destination upon the earlier of:

- (i) construction placement of a trailer or railcar;
- (ii) actual placement of a trailer, truck, or railcar; or
- (iii) as Product passes (as applicable) the transport truck, trailer, or railcar outlet flange, at the delivery point, or pipeline downstream flange.

Title and risk of loss will not be affected by Seller's ownership of the transportation assets, arrangement of shipment, pre-payment or collection of shipment expenses from Buyer. Seller will have no obligation to deliver Product unless Buyer, its agents, and its carriers have entered into, and are in compliance with, necessary agreements governing access to the Seller's Terminal.

Regardless of whether the sale is FOB or Delivered, Buyer will pay for any demurrage, fleeting, shifting, parking, detention, or other charges related to Buyer's receipt or Seller's delivery of Product, unless specifically identified in this Agreement or solely caused by Seller.

13. **USE OF SELLER'S CAR.** In the event that Seller supplies the Railcar, custody of Seller's Railcar will pass to Buyer at the Seller's Terminal on the date Seller's Railcar is released to the receiving rail carrier.

13.1. **Priority Lease.** It is understood that any Seller's Railcar furnished to Buyer by Seller under this Agreement are Seller's leased cars, and that Seller's and Buyer's rights under this Agreement are subordinate in all respects to the rights of the owners and leasing companies of Seller's Railcar. In the event the corresponding lease between Seller and the owner or leasing company of any Seller's Railcar is cancelled, terminated, or expires, Buyer's use of such Seller's Railcar will immediately terminate, and Buyer will ship Seller's Railcar as directed by Seller. This Agreement is subordinate to any security instruments created by or on behalf of the owner of Seller's Railcar, and Seller may cause or allow any Seller's Railcar to be marked to indicate the rights of a security holder.

13.2 **Condition and Use of Seller's Railcar.**

(a) Seller makes no representation as to the cleanliness of any Seller's Railcar or the absence of residue of contents from usage or nature of such usage.

(b) Buyer will use Seller's Railcar exclusively in its own service to transport Produce purchased from Seller under this Agreement and, subsection Section 13.2(d), no Seller's Railcar will be shipped beyond the boundaries of the U.S. and Canada.

(c) Buyer will preserve Seller's Railcars in good condition and will not be in any way after the physical structure of Seller's Railcar without the prior written approval of Seller. Buyer will ensure that no lettering or marking is placed on any Seller's Railcar other than as required by regulatory bodies in the U.S. or Canada.

(d) In no event will Buyer retain any Seller's Railcar in Canada or Mexico for more than 25 consecutive days.

13.3 Maintenance, Repairs and Damage. Seller will be responsible for all necessary repairs to Seller's Railcars due to ordinary wear and tear, maintenance and railcar modifications or qualification requirements mandated by any governmental agency having jurisdiction over Seller's Railcars. Buyer will provide Seller with prompt notification of any defect or damage to any Seller's Railcar, and forward Seller's Railcar as directed by Seller. Expenses for defects or damages will be paid for by Buyer, except to the extent caused by Seller's gross negligence or willful misconduct.

13.4 Loss to Commodities and other Loss.

(a) Seller will not be liable for any loss or damage to all, or part of the Product loaded or shipped in Seller's Railcar, unless such loss or damage is due to the gross negligence or willful misconduct of Seller.

(b) After Seller's Railcar has been delivered to Buyer's custody. Buyer will be liable for any loss or damage to any Seller's Railcar while on any private or industrial railroad or in the custody of any third-party carrier not subject to the Association of American Railroads Rules for Interchange, to the extent that such third party carrier has not assumed liability for such loss or damage.

13.5 Return of Seller's Railcar. Buyer will return all Seller's Railcars to the Return Location. The day a Seller's Railcar is actually or constructively placed at the Return Location will be the return date. Upon return by Buyer, the Seller's Railcar will be clean and in a same condition as when the Seller's Railcar was delivered to Buyer's custody, ordinary wear and tear excepted, and free from all charges, liens and encumbrances. Buyer will pay for costs of cleaning and repairing the Seller's Railcar should it be returned in any other condition than that described in this Section, or if the Seller's Railcar contains any substance other than Product.

13.6 Demurrage. Buyer will return the Seller's Railcar to the Return Location as soon as possible. If Buyer fails to return the Seller's Railcar after 10 days of constructive placement of Seller's Railcar at buyer's designated receiving facility, Seller may, at its option, charge Buyer for railcar detention and demurrage of \$50 per car per day until Seller's Railcar has been placed in actual or constructive placement at the Return Location. Buyer will promptly notify Seller of any damage or repairs needed to any Seller's Railcar. Seller will (a) evaluate and determine if any repair is necessary to comply with transportation laws and notify Buyer promptly in writing of such

decision; (b) notify Buyer of the location of the repair shop that the relevant Seller's Railcar will be sent to for repair or scrapping; and (c) determine, in its sole discretion, whether the detention and demurrage charges will apply.

14. **QUANTITY AND INSPECTION.** Unless otherwise specified in this Agreement, quantities of Product will be determined in accordance with this Section. The quantity and quality shall be determined on the most current API/MPMS and ASTM standards. Either Party may require that Product quantity and quality be determined by a jointly selected, licensed petroleum inspector, whose findings, absent inspector error, will be conclusive. Customary inspection costs will be shared equally, but additional services will be paid for by the Party requesting them. Quantities of Product shipped by rail or truck will be measured, at Seller's option, by outage tables, marker measurements, meters, or weighing.

15. **CONSPICUOUS.** TO THE EXTENT REQUIRED BY LAW TO BE EFFECTIVE, THE PROVISIONS IN THIS AGREEMENT IN BOLD-TYPE FONT ARE "CONSPICUOUS" FOR THE PURPOSE OF ANY LAW.

16. **GOVERNING LAW AND DISPUTE RESOLUTION.** This Agreement shall be governed by Michigan law. Any dispute arising out of or in connection with the Agreement shall be decided by binding arbitration, decided by a single Arbitrator in accordance with the Commercial Arbitration Rules of the AAA then in effect. Arbitration will be used for any claim or dispute related to this Agreement. EACH PARTY WAIVES ITS RIGHT TO BE HEARD IN A COURT OF LAW, with or without a jury. This Agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. The Arbitrator's Award shall be final and binding upon the Parties, and judgment may be entered upon in any court having jurisdiction.

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

18. **DUTY DRAWBACK.** Seller reserves the right to claim, receive, and retain drawbacks on Product it delivers hereunder which subsequently qualify for drawback treatment under Applicable Law. Buyer shall in a timely fashion upon request by Seller execute proof of exportation, drawback claim forms, assignments in favor of Seller and any other documentation required to enable Seller to establish its drawback rights under Applicable Law. Buyer further agrees to cooperate in good faith to provide any other additional information that may be necessary to perfect Seller's drawback claims.

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