

GENERAL TERMS AND CONDITIONS FOR SALES AGREEMENTS

Products Descriptions and Specifications ("Products"), Quantity Price, Special Payment Terms, Delivery Point, Delivery Period, Shipment Instructions and/or any other terms and conditions specific to each transaction or series of transactions shall be set forth in the "Sales Agreement." The Sales Agreement shall, unless otherwise expressly provided therein, incorporate these General Terms and Conditions, and shall constitute the agreement ("The Agreement") which shall govern the sales, purchase or exchange of the Products.

1. **Payment**

- a. **Terms:** When Supreme Oil Co. ("Supreme Oil") is **Seller**, Payment terms are as stated herein except to the extent modified, if at all, by terms stated in The Agreement. Not less than three (3) business days prior to the initiation of Product shipment, **Buyer** shall either pay **Seller** in full for said shipment, as provided herein, or at such time as the parties may otherwise agree, provided that **Seller** may require an irrevocable Letter of Credit acceptable to **Seller**, confirmed by an acceptable U.S. bank. If **Buyer** fails to comply with any of the payment terms stated herein or in The Agreement, **Seller**, without limitation, may do one or more of the following: (1) terminate The Agreement, (2) suspend deliveries until all indebtedness is paid in full, (3) place **Buyer** on a cash-prior-to-delivery basis. If at any time, in the sole opinion of **Seller**, the financial responsibility of **Buyer** is impaired or unsatisfactory, deliveries may be suspended or **Buyer** may be placed on cash-prior-to-delivery status until agreements are made for security satisfactory to **Seller**, or, at **Seller's** option, until all indebtedness to **Seller** is paid in full. All payments due under The Agreement shall be made in U.S. dollars. If The Agreement requires or permits payment by check, all checks shall be made payable to "Supreme Oil Co." and to no other person, firm or entity. If The Agreement requires or permits payment by wire transfer, such payments shall be made according to the account name and number specified in writing by the Credit Manager of Supreme Oil and to no other bank or account number. If The Agreement requires or permits payment by automatic clearing house ("ACH"), all shall payments shall be made to the account name and number specified in writing by the Credit Manager of Supreme Oil and to no other bank or account number. If The Agreement requires or permits payment by electronic funds transfer ("EFT"), all such payments shall be made in strict accord with procedures established and promulgated by the Supreme Oil credit department.
- b. **Offsets:** In the event of a party's default respecting The Agreement, the other party may offset damages arising therefrom, including, without limitation, withholding payment, delivery or acceptance of Products, material or services, relating to any agreement or transaction with the defaulting party. This right shall not constitute an election of remedies, however, and this non-defaulting party shall be entitled to avail itself of all other rights and remedies at law or in equity or otherwise set forth in The Agreement.

2. **Price:** **Buyer** shall pay for products sold and purchased hereunder at price specified in the commercial terms of the Sales Agreement or Purchase Agreement and, if not so specified therein, at the prices established for such product from time to time by **Seller** for purchasers at the same supply point in the same classification as **Buyer** in effect at the time and place of deliver of product to **Buyer**. As used herein, purchasers "in the same classification as **Buyer**" means purchasers purchasing the same product at the same supply point under an agreement with **Seller** that is the same or substantially similar to The Agreement. Unless otherwise expressly set forth in the Sales Agreement or Purchase Agreement, **Seller** reserves the right to change its prices to **Buyer** at any time with notice, whether or not received by **Buyer**. **Buyer** acknowledge and agrees that any such change in price shall not necessarily be predicated upon, pattern after, or bear any relationship to any price established by **Seller**, or any price change made by **Seller**, with respect to any other customer or class of trade not in the same

classification as **Buyer**. Unless the Sales Agreement or Purchase Agreement provides for or requires **Seller** to deliver product to **Buyer**, **Buyer** shall be solely responsible to arrange for accepting delivery of and transporting Product at and from the supply point(s) specified in The Agreement and for all cost, expenses, and liability pertaining such accepting delivery and transportation.

- a. **Electronic Message System for Sale by Supreme of Unbranded Gasoline and Distillate:** If Supreme is **Seller** and Product sold is unbranded gasoline or distillate, and **Seller** utilizes an electronic message system to communicate pricing, messages, and other data to **Buyer** or customers in the same classification as **Buyer** (as defined by Paragraph 4 above), **Buyer** agrees that it will participate in and subscribe to **Seller's** electronic message system, or successor system, and adhere to **Seller's** instructions and the terms of the agreement applicable to access to and use of such electronic message system.

3. **Title, Risk of Loss, and Delivery:** Title and risk of loss to Product delivered shall pass from **Seller** to **Buyer** or from **Delivering Party** to Receiving Party at the point of delivery set forth in The Agreement.
4. **Delivery limit:** **Buyer** agrees that **Seller** shall have no obligation in any month or other specified period of time to sell or deliver to **Buyer** any quantities of products in excess of the quantity specified in The Agreement. At its sole discretion **Seller** may advise **Buyer** that additional quantities are available for sale by **Seller** to **Buyer** and at what price, if different from that set forth in The Agreement. In the event **Buyer** elects to purchase such additional quantities the terms and conditions of The Agreement not inconsistent with **Seller's** advice shall pertain to and govern the additional purchases. **Buyer** agrees that, except as may be required by law, **Seller** shall have no obligation in any month or other specified period or time to sell and deliver to **Buyer** quantities in excess in the quantities set forth in The Agreement even though quantities in excess of such quantities may have been sold and delivered to **Buyer** in any proceeding month or other specified period of time.

Unless The Agreement provided otherwise, **Buyer** shall make reasonable efforts to take delivery of product at regular intervals during each month or other specified period of time and, should **Buyer** fail to do so, **Seller** may by written notice to **Buyer** establish a delivery schedule by supply point to which **Buyer** shall adhere until such time as **Seller**, in its sole discretion, may cancel such delivery schedule. Failure by **Buyer** to strictly adhere to such delivery schedule shall constitute a material breach of The Agreement.

5. **Quantity and Quality:** Unless otherwise specified in The Agreement, the following means of determining quality and quantity shall apply. If the shipments are by pipeline, mutually acceptable meters at or near the delivery point or tank gauges, as read by the operator at the time of delivery, shall determine the quantity of Product. Quantity shall be measured and determined by **Seller** or Delivering Party for rail shipments using the gauging tables provided by the rail car manufacturer, magnetic gauges on rail cars, or by weighing rail cars after loading. For truck shipments, quantity shall be measured and determined by **Seller** or Delivering Party using certified scales weights before and after truck loading, or truck rack meters. For delivery to or from barges or vessels quantity shall be determined by independent inspector, the expenses of which shall be shared equally by **Seller** and **Buyer** or by **Delivering Party** and **Receiving Party**. The quantity of Product sold or exchanged hereunder, as determined by **Seller**, Delivering Party, independent inspector, or operator, as applicable, shall be binding on the parties.
6. **Excused Performance:**
 - a. **Force Majeure:** **Buyer** or Receiving Party shall not be obligated to order or accept deliveries if unable to operate **Buyer's** or Receiving Party's business by reason of fire,

flood, war, civic commotion, strikes, blockades or other causes beyond **Buyer's** or Receiving Party's control. **Seller** or Delivering Party shall not be responsible for any loss or damages resulting from delay or failure in delivery due to fire, flood, storms, earthquakes, tidal waves, war, military operations, national emergency, civil commotion, strikes or other differences with workmen or unions, or from any delay or failure in delivery when the supplies of **Seller** or Delivering Party, or the facilities of production, manufacture, transportation or distribution which otherwise would be available to **Seller** or Delivering Party, are impaired by causes beyond **Seller's** or Delivering Party's control, or by failure or shortage of raw materials necessary to the manufacture of the Product to be supplied hereunder, or by the order, requisition or request of any governmental agency or acting governmental authority or **Seller's** or Delivering Party's compliance therewith or by governmental proration or regulation, or from any other delay or failure due to the causes beyond **Seller's** or Delivering Party control, similar or dissimilar to any such causes. In the event of any of the aforementioned contingencies, **Seller** or Delivering Party may allocate its available supply of Product among its customers and itself in such manner and at such time as to may, at its sole discretion, determine. During the continuance of any such contingency, the obligation of **Seller** or Delivering Party and **Buyer** or Receiving Party shall be suspended and proportionately abated.

- b. **Governmental Action Affecting Price:** If The Agreement is for the purchase and sale of product and in the event of any governmental action substantially affecting a party's right to maintain or change the price or terms of payment, at any time such governmental action is in effect, **Seller** shall have the right, at its option, to (1) terminate The Agreement, or (2) postpone, by notice to **Buyer**, the effective date of any price change or other terms to the extent so prevented until such dates as it is not so prevented. By this election to postpone rather than terminate, **Seller** does not waive its right to terminate The Agreement thereafter.

7. **Trademarks Prohibition:** **Buyer** expressly understands and agrees that neither The Agreement nor **Buyer's** purchase of Product hereunder constitutes authority or consent of any kind to use or display in any way, manner or form the trademarks or trade names of **Seller** or its affiliates, successors or assigns, and **Buyer** expressly agrees not to use, display or claim any right, title or interest in or to such trademarks or trade names.
8. **Taxes:** Any excise tax, fee or other charge or any increase thereof, including, with out limitation, a superfund excise tax, now or hereafter impose directly or indirectly by law upon Product sold or delivered under The Agreement, or the production, manufacture, storage, sale, transportation or delivery thereof, which **Seller** or delivering party is required to pay or collect, may be added to the Product price in whole or part, at **Seller's** or Delivering Party's option, and if so added to the price shall be paid by **Buyer** or Receiving Party in addition to the price in accordance with applicable payment terms and conditions therein.
9. **Compliance with Law and Severalties:** The parties agree to comply fully with all applicable laws, ordinances and regulations, from whatever authority the same may emanate. In the event The Agreement, or any procedure, action, or obligation imposed upon either party hereto, shall at any time be in conflict with any legal requirement of any law, ordinance or regulation emanating from such authorities, then The Agreement or any procedure, action, or obligation so adversely affected shall immediately become inoperative and ineffective. In such event, all other provisions, and any unaffected portion of any provisions of The Agreement shall be given effect separately therefrom and shall not be affected thereby. In the event that any such law, ordinance or regulation effectively precludes **Buyer** from purchasing or the Receiving Party taking delivery of Product or **Seller** from selling or Delivering Party from delivering Product hereunder, either party shall have the right to terminate The Agreement by

notice to the other party. The parties shall settle any unpaid balances due hereunder upon such termination.

10. **Product Hazards:** **Buyer** or Receiving Party acknowledges receipt of **Seller's** or Delivering Party's Materials Safety Data Sheet for Product and is aware of known hazards or risks in handling or using Product. Both parties shall maintain compliance with all safety and health related governmental requirements concerning Product and shall take steps as are reasonable and practicable to inform their employees, agents, contractors and customers of any hazards or risk associated with Product, including but not limited to dissemination of pertinent information contained in the Material Safety Data Sheet, as appropriate.
11. **Indemnifications:** Each party agrees to protect, release, defend, indemnify, and hold the other and any of its parent, subsidiary, or affiliate companies, and the respective officers, directors, employees, agents or servants of each, as well as the representatives, successors, or assigns of each, if any, free and harmless, from and against any and all liability, losses, claims, lines, demands, and causes of action of every kind and character, howsoever caused, and the costs thereof, including, without limitation, settlements, judgments, fine's, penalties, or interest on account of claims arising out of personal injuries, illness, disease, death, or loss of or damage to property which in any way arise out of, result from, or are in any way connected with willful misconduct or negligence in the performance of, or breach of The Agreement, or failure to perform or properly perform The Agreement, to its failure to comply with any law or regulations, except for and to the extent of the negligence or willful misconduct of the other party. The parties hereby agree that the indemnity provided hereunder shall bear effective to, an only to the maximum extent, scope, or amount permitted by applicable law and should be so construed, interpreted or enforced by any reviewing arbitrator or court. The parties further agree that if any provision, to portion thereof, of this section, or of The Agreement is determined to exceed the extent, scope, or amount of indemnity permitted via the applicable law, this section and The Agreement shall be constructed, interpreted, or enforced so as to preserve, to the maximum extent, scope or amount possible, the indemnity which is permitted by the applicable law.
12. **Choice of Law:** The Agreement, and the applicable law as to any dispute thereunder, is to be governed and construed under the laws of the State of California, unless provided otherwise in The Agreement. In the event there is no primary delivery point and unless provided otherwise in The Agreement, the applicable law shall be that of the State of California.
13. **Warranties:** **Seller** or Delivering Party warrants Product shall meet Product specifications, if any, set forth in The Agreement. **SELLER OR DELIVERING PARTY MAKES NO OTHER EXPRESS OR IMPLIED WARRANTY, STATUTORY OR OTHERWISE, CONCERNING PRODUCT, INCLUDING, WITHOUT LIMITATION, NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR WARRANTY OF MERCHANTABILITY.**
14. **Limitation of Damages:** IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, INCIDENTAL OR INDIRECT LOSSES OR DAMAGES FROM THE SALE OR DELIVERY OF PRODUCT UNDER THE AGREEMENT OR BREACH OF THIS AGREEMENT.
15. **Claims:** Any claims by **Buyer** or **Receiving Party** for a deficiency in quantity or quality of Product shall be waived by **Buyer** or Receiving Party unless **Seller** or Delivering Party is notified within 3 days from receipt. Any claims by **Buyer** or **Receiving Party** for spill shall be waived by **Buyer** or Receiving Party unless **Seller** or Delivering Party is notified within 48 hours from the event. Furthermore, **Buyer** or **Receiving Party** agrees that any claim of any kind whatsoever based or arising out of The Agreement shall be barred unless asserted by **Buyer** or **Receiving**

Party within 59 days after the event, action, or inaction giving rise to such claim, however arising.

16. **Resolution of Disputes:** Except as prohibited or limited by applicable law, any dispute or controversy relating to or arising out of the Agreement, including, without limitation, the negotiation, breach, validity or enforceability of The Agreement or any part thereof, the obligations created by The Agreement of the relationship between the parties, which dispute or controversy the parties cannot mutually resolve, shall be resolved by binding arbitration by a single arbitrator in accordance with the procedures and rules of any by the Judicial Arbitration and Mediation Services, Inc., except as herein modified. The site of such arbitration shall be as forth in The Agreement or other mutually agreed location, and if not set forth or mutually agreed, shall be in San Diego, California. The decision of the arbitrator shall be final and binding on the parties and access to a judicial forum is foreclosed, except to enforce an arbitral decision or as required or permitted by law. Judgment upon the award of the arbitrator may be entered and enforced in any court having jurisdiction thereof. The costs and expenses of the arbitrator, the Judicial Arbitration and Mediation Services, Inc., stenographic record, and witnesses and proofs that may have been produced at the direction of the arbitrator shall be paid by the party against whom the decision of the arbitrator is entered, which party shall be so specifically designated by the arbitrator. The arbitrator may not assess punitive or exemplary damages but may award both legal and equitable relief. This Paragraph of The Agreement shall survive termination or expiration of the Agreement as to any claim arising out of or related to The Agreement, but no claim may be the subject of arbitration which occurred or arose more than four (4) years prior to commencement of arbitration.
17. **Waiver:** Failure of either party to require performance of any provision of The Agreement shall not affect either party's right to require full performance thereof at any time thereafter and the waiver by either party of a breach of any provisions hereof shall not constitute a waiver of a similar breach in the future or of any other breach or nullify the effectiveness of such provision.
18. **Course of Dealing:** Each and every provision of The Agreement constitutes the entire agreement of the parties with respect thereto and is not to be reformed, altered or modified in any way by any practice or course of dealing during or prior to the term of The Agreement.
19. **Entire Agreement:** The Agreement, consisting of these General Terms and Conditions, the Sales, Purchase, or Exchange Agreement, and incorporated Marine Provisions for barge and vessel transactions, if any, contains the entire Agreement between parties hereto and there are no oral representations, stipulations, warranties, agreements or understandings with respect to the subject matter of The Agreement which are not fully expressed herein. Neither The Agreement nor its execution has been induced by any representation, stipulation, warranty, agreement or understanding of any kind other than those expressed in writing in The Agreement.
20. **Prior Agreements:** The Agreement automatically supersedes and terminates all prior and/or existing agreements by and between the parties covering or relating to sale, purchase, or exchange of Product covered herein.
21. **Amendment:** No amendment, addition to, alteration, modification or waiver of all or any part of the Agreement shall be of any force or effect unless agreement thereto is expressed in writing and signed by the parties. If the provisions of The Agreement and the provisions of any purchase order or order acknowledgment written in connection with The Agreement conflict, then the provisions of The Agreement shall prevail. If any conflict exists between these

General Terms and Conditions and the Sales, Purchase and Exchange Agreement, the terms and conditions of the Sales, Purchase or Exchange Agreement shall supersede the General Terms and Conditions and shall govern the parties' rights and obligations.

22. **Notices:** Any notice, request or other communications required or permitted by or pertaining to The Agreement, including the General Terms & Conditions and Addendum, if any, shall be in writing and addressed to the other party hereto at the address specified in The Agreement. Any such notice, request, or other communication shall be either (i) by prepaid certified mail (return receipt requested), or (ii) nationally recognized courier or messenger service with confirmed delivery and shall be deemed served as of the date of sending, or (iii) by personal service shall be deemed served as of the date of receipt, or (iv) by electronic (facsimile and/or telex) communication and shall be deemed served as of the date of sending.
23. **Assignment:** The Agreement and any amendments or supplements thereto shall be binding upon and insure to the benefit of the assigns and successors of the parties, but shall not be assignable without the prior written consent of the other party, which consent shall not be unreasonably withheld.

May 25, 2010