

CALNEV PIPE LINE LLC
BIODIESEL BLENDING AGREEMENT - LAS VEGAS
«COMPANY»
EFFECTIVE _

This Agreement is made this ___ day of ___, by and between **CALNEV PIPE LINE LLC**, A Delaware Corporation (“CALNEV”) and «COMPANY» (“CUSTOMER”).

1. CALNEV TO OPERATE FACILITIES

CALNEV shall own, operate and maintain B100 truck off-loading and rack blending facilities (“Biodiesel Facilities”) at its Las Vegas, NV terminal (“Terminal”). These Biodiesel Facilities are intended to provide a means to blend B100 with Ultra Low Sulfur Diesel (ULSD). CALNEV shall notify CUSTOMER of the approximate space available in designated tankage for storage of CUSTOMER’s B100. CUSTOMER may maintain B100 inventory within the facility limits as reasonably directed by CALNEV personnel. CUSTOMER shall be required to keep a tank heel inventory in the B100 tanks in proportion with the number of active inventory holders in the tanks.

2. CHARGES FOR SERVICES RENDERED TO CUSTOMER

CUSTOMER shall pay CALNEV for all services herein provided and facilities furnished by CALNEV related to the off-loading and blending of biodiesel with ULSD at the terminal, within twenty (20) days from the date of billing as follows:

Biodiesel Facility Charge: Eighteen cents (**\$0.18**) per gallon of B100 delivered into storage.

If charges are not paid by the due date stated on the invoice, CALNEV shall have the right to assess finance charges on the entire past due balance (including principal and accumulated but unpaid finance charges) until paid in full, at a rate equal to one hundred and twenty-five percent (125%) of the prime rate of interest as reported in the Wall Street Journal as of the first of the month in which the charges are due, or the maximum finance rate allowed by applicable law, whichever is less.

3. CALNEV’S ACCOUNTABILITY FOR BIODIESEL (B100)

Accountability for biodiesel shall be in accordance with Section 9 of the Terminal Agreement dated March 10, 2016 between CALNEV and «COMPANY» (“Terminal Agreement”). In addition, the following will apply in place of Section 9(b)(ii) of the Terminal Agreement.

9.(b)(ii) Except as set forth below, if the monthly book inventory versus physical inventory results in a loss, that loss will be allocated back to CALNEV. However, CALNEV shall not be responsible for a normal handling loss of up to one-eighth of one percent (0.125%) of all the monthly receipts of petroleum distillate fuels, up to two-tenths of one percent (0.20%) of all monthly receipts for total gasoline volumes, and up to one-fourth of one percent (0.25%) of all monthly receipts of biodiesel so received at the terminal for CUSTOMER’s account during such calendar year, to cover normal handling and evaporation losses. Biodiesel settlement for which CALNEV is liable under the provisions of this Section shall be in accordance with CALNEV Biodiesel Settlement Pricing provision below.

4. CALNEV BIODIESEL (B100) SETTLEMENT PRICING

In the event of loss or damage to biodiesel for which CALNEV is liable in accordance with this Agreement, CALNEV shall not be liable to CUSTOMER for more than the actual cost to CUSTOMER of any lost or damaged biodiesel, regardless of the cause of the loss or damage. Notwithstanding the above, CALNEV shall have no liability to CUSTOMER unless a written claim is delivered by CUSTOMER within three (3) months, after CALNEV reports the alleged loss to the CUSTOMER or the CUSTOMER discovers the alleged loss, whichever is earlier. CUSTOMER shall make no deductions from any invoice presented by CALNEV pending the resolution of any claim under this Section.

5. CALNEV RESPONSIBILITIES

- 5.1 CALNEV shall coordinate with CUSTOMER the scheduling of biodiesel trucks from CUSTOMER to the Terminal. CALNEV shall provide necessary equipment to convey biodiesel from trucks to appropriate storage tanks.
- 5.2 CALNEV shall track, report and record CUSTOMER's tank inventory.
- 5.3 CALNEV shall, at all times, use reasonable care and diligence to protect CUSTOMER's biodiesel from damage or loss. CALNEV is not responsible for the natural degradation of the biodiesel that is not blended within six (6) months of receipt at the Terminal.

6. CUSTOMER RESPONSIBILITIES

- 6.1 CUSTOMER shall establish and maintain sufficient biodiesel inventories to support projected blending requirements.
- 6.2 CUSTOMER shall provide transportation of biodiesel to CALNEV's terminal.
- 6.3 CUSTOMER shall provide the name(s) and telephone number(s) of person(s) authorized to dispatch biodiesel upon request by CALNEV.
- 6.4 Upon receiving a request for biodiesel by CALNEV personnel, CUSTOMER shall FAX a confirmation notice to the Terminal indicating: the number of trucks dispatched, accompanying seal number (if applicable), dispatch dates, arrival dates and times and compartment volumes.
- 6.5 Each truck delivered to the Terminal must meet the Product Specifications for biodiesel published by CALNEV and be accompanied by a Certificate of Analysis which includes at a minimum the following information and a statement that the material was provided by a BQ9000 source:
 - 6.5.1 EPA Registration Number required on transfer document;
 - 6.5.2 Statement that the product meets ASTM D6751 specifications; and
 - 6.5.3 Certification that the values stated on the Certificate of Analysis have been obtained through the BQ9000 process.

7. PRODUCT SPECIFICATIONS

- 7.1 CUSTOMER's biodiesel delivered to CALNEV-owned tanks must meet the quality standards set forth in Kinder Morgan's Pacific Operations published Product Specifications Manual for B99/B100 Biodiesel (Product Code: BD). It shall be CUSTOMER's sole responsibility to ensure compliance of its product with said Product Specifications, except to the extent that non-compliance is caused by, or contributed to by, the acts or omissions of CALNEV.
- 7.2 If CUSTOMER's product is delivered into community tanks and does not meet the standards set forth in Kinder Morgan's Pacific Operations published Products Specifications Manual, CUSTOMER shall be liable for all damages incurred as a result thereof including, but not limited to, product of other customers, except to the extent caused by, or contributed to by the acts or omissions of CALNEV or others. CUSTOMER shall promptly, upon receipt of an invoice therefore, reimburse CALNEV for all costs incurred by CALNEV due to the product which does not comply with Kinder Morgan's Pacific Operations Product Specifications Manual being delivered into tanks owned by CALNEV. Copies of Kinder Morgan's Pacific Operations Product Specifications Manual can be accessed at Kinder Morgan's Website: www.kindermorgan.com.

8. INDEMNIFICATION

- 8.1 CUSTOMER shall indemnify and save CALNEV, its employees, directors, and agents harmless from and against any and all liabilities, claims, demands, damages, costs, fines, and penalties arising out of CUSTOMER's failure to perform its obligations under this Agreement. CUSTOMER's obligation to indemnify CALNEV hereunder shall extend to fines and penalties for which CALNEV may be vicariously liable due to acts or omissions of CUSTOMER pursuant to federal or state biodiesel regulations, but shall not include CALNEV's liability for independent violations of these regulations including, but not limited to, CALNEV's failure to perform adequate oversight in order to ensure that CUSTOMER's biodiesel ULSD blend meets specifications. In no event shall CUSTOMER be liable for special, indirect, or consequential damages.
- 8.2 CUSTOMER shall indemnify, defend, and hold CALNEV harmless from and against any liability, claims, demands, damages, fines, penalties, or costs for expenses resulting in any way from, or connected with, any product delivered to CALNEV terminal tankage which fails to conform to CALNEV's Product Specifications or any applicable governmental laws or regulations, except to the extent caused by, or contributed to by the acts or omissions of CALNEV or others.
- 8.3 CALNEV shall indemnify and save CUSTOMER, its affiliate, parent, and subsidiary companies and their employees, directors, and agents harmless from and against any and all liabilities, claims, demands, damages, costs, fines, and penalties arising out of CALNEV's failure to perform its obligations under this Agreement including but not limited to, failure to inject the specified amount of biodiesel into CUSTOMER's ULSD or failure to maintain the required biodiesel injection records, and an spill or release of biodiesel at CALNEV's Terminal, except if caused by CUSTOMER. CALNEV's obligation to indemnify CUSTOMER hereunder shall extend to fines and penalties for which CUSTOMER may be vicariously liable due to acts or omissions of CALNEV pursuant to federal or state biodiesel laws or regulations, but shall not include CUSTOMER's liability for independent violations of these laws or regulations including, but not limited to, CUSTOMER's failure to perform adequate oversight in order to ensure that its biodiesel ULSD blend meets applicable specifications. In no event shall CALNEV be liable for special, indirect, or consequential damages.

9. TERMINAL OPERATING AGREEMENT

This Agreement and the operations hereunder shall be subject to the applicable, but non-conflicting provisions of the Terminal Agreement.

10. TERM OF AGREEMENT

The term of this Agreement shall be for a period of sixty (60) days commencing on _____. Thereafter, this Agreement shall continue until terminated by either party giving the other party sixty (60) days' prior written notice of such termination.

11. NOTICES

All notices required or permitted to be given hereunder shall be in writing and shall be delivered by hand, certified mail, standard U.S. mail (return receipt requested), facsimile, or email to the intended Party at the address specified below or such other address as may be specified by a party by such a notice:

If to CALNEV:

CALNEV PIPE LINE LLC
1100 Town and Country Road, Suite 700
Orange, CA 92868
Attention: Director-Business Development
Email: torricesj@kindermorgan.com

If to CUSTOMER:

«**COMPANY**»
«STREET»
«CITY_STATE_ZIP»
Attention: «ADDRESSEE»
Email: «EMAIL_ADDRESS»

Except as provided hereinabove, all of the terms, covenants and conditions of the Terminal Agreement between the parties, amended by this Agreement, shall remain in full force and effect.

CALNEV PIPE LINE LLC

By: _____
Name: **Janet Torrices**
Title: **Director-Business Development**
Date: _____

«**COMPANY**»

By: _____
Name: _____
Title: _____
Date: _____