

BARSTOW ETHANOL FACILITIES AGREEMENT

This Agreement, made and entered into the ____ day of ___, ___, by and between **CALNEV PIPE LINE LLC**, a Delaware limited liability company (hereinafter "CALNEV"), and «**COMPANY**», (hereinafter "CUSTOMER"), agree as follows:

1. CALNEV TO OPERATE FACILITIES

At CALNEV's sole cost and expense, modifications will be made to CALNEV's Barstow terminal necessary for tank truck off-loading of ethanol.

CALNEV shall operate ethanol truck off-loading facilities "Ethanol Facilities" at its Barstow terminal. The Ethanol Facilities are intended to provide a means to handle and to blend ethanol with gasoline. CALNEV shall notify CUSTOMER of the approximate space available in designated tankage. CUSTOMER shall deliver ethanol to Barstow terminal by tank truck only and may maintain ethanol inventory within the facility limits as reasonably directed by terminal personnel. CUSTOMER shall be required to maintain a prorated share of the total volume required to float the roof of the tank.

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 at Barstow terminal, within 20 days from date of billing, as follows:

- a) The Ethanol Facilities Charge is \$0.05 for each gallon of ethanol delivered into storage at Barstow. CALNEV shall notify CUSTOMER of the approximate space in designated tankage. CUSTOMER shall be required to keep their inventory within the facility limits as reasonably directed by terminal personnel. After the Initial term of this agreement as stated in Section 9 below, CALNEV and CUSTOMER shall negotiate a new charge for this service.

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 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 ETHANOL

Accountability for ethanol shall be as follows:

As soon as reasonably possible after the end of each calendar year or portion thereof, during or immediately following the term of this agreement, CALNEV shall account to CUSTOMER for all of CUSTOMER's Ethanol received at Barstow Terminal pursuant to this Agreement during said calendar year. CALNEV shall be liable to CUSTOMER, as hereinafter provided, for all differences between the quantities of CUSTOMER's product received at the Barstow Terminal and the quantities of product

withdrawn from the Barstow terminal by CUSTOMER during such calendar year, less a tolerance or allowance for combined gasoline and ethanol volumes handled hereunder, not to exceed three-tenths of one percent (0.3%) of the quantities of ethanol and gasoline so received at the terminal for CUSTOMER's account during such calendar year, to cover normal handling and evaporation losses. Ethanol settlement for which CALNEV is liable under the provisions of this Section shall be in accordance with the CALNEV Settlement Pricing Policy based on the price for unleaded regular gasoline.

4. CALNEV RESPONSIBILITIES

- 4.1 CALNEV shall coordinate with CUSTOMER the scheduling of ethanol trucks from CUSTOMER to the terminal. CALNEV shall provide necessary equipment to off-load ethanol from trucks to appropriate ethanol storage tanks.
- 4.2 CALNEV shall track, report and record CUSTOMER's tank inventory.
- 4.3 CALNEV shall at all times use reasonable care and diligence to protect CUSTOMER's ethanol from damage or loss.

5. SHIPPER RESPONSIBILITIES

- 5.1 CUSTOMER shall establish and maintain sufficient ethanol inventories to support projected blending requirements.
- 5.2 CUSTOMER shall provide transportation of ethanol, on demand, to CALNEV's terminal.
- 5.3 CUSTOMER shall provide the name(s) and telephone number(s) of person(s) authorized to dispatch ethanol upon request by CALNEV.
- 5.4 Upon receiving a request for ethanol 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. PRODUCT SPECIFICATIONS

- 6.1 CUSTOMER's ethanol delivered to CALNEV owned tanks must meet the quality standards set forth in Kinder Morgan's Pacific Operations published Pipeline Products Specification Manual for Denatured Fuel Ethanol (Product 83). It shall be CUSTOMER's sole responsibility to ensure compliance of its product with said Products Specifications, except to the extent that non-compliance is caused by or contributed to by the acts or omissions of CALNEV.
- 6.2 If CUSTOMER's product is delivered into community tanks and does not meet the standards set forth in Kinder Morgan's Pacific Operations published Pipeline Products Specifications, CUSTOMER shall be liable for all damages incurred as a result thereof, including but not limited to damage 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 Pipeline Products Specifications being delivered into tanks owned by CALNEV. Copies of

Kinder Morgan's Pacific Operations Pipeline Products Specification Manual may be obtained from Kinder Morgan's Products Movement Department or can be accessed at Kinder Morgan's Website (www.kindermorgan.com).

7. INDEMNIFICATION

- 7.1 CUSTOMER shall indemnify and save CALNEV, its employees, directors, and agents harmless from and against any and all liability, 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 ethanol 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 insure that CUSTOMER's ethanol gasoline meets specifications. In no event shall CUSTOMER be liable for special, indirect or consequential damages.
- 7.2 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 Kinder Morgan's Pacific Operations Pipeline Products 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.
- 7.3 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 ethanol into CUSTOMER's gasoline or failure to maintain the required ethanol injection records, and any spill or release of ethanol 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 ethanol 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 insure that its ethanol gasoline meets applicable specifications. In no event shall CALNEV be liable for special, indirect or consequential damages.

8. TERMINAL OPERATING AGREEMENT

This Agreement and the operations hereunder shall be subject to the applicable but non-conflicting provisions of the Terminal Agreement at CALNEV's Barstow terminal between CUSTOMER and CALNEV.

9. TERM OF AGREEMENT

The initial term of this Agreement shall be for a period of one (1) year commencing on __, and terminating on __. Thereafter, this agreement shall continue until terminated by either party giving the other party ninety (90) days prior written notice of such termination.

CALNEV PIPE LINE LLC (DE)

By: _____

Title: Director-Business Development

Print Name Signed: Janet Torrices

Date: _____

«COMPANY»

By: _____

Title: _____

Print Name Signed: _____

Date: _____