

GENERAL TERMS AND CONDITIONS

1. TERMS: For each product, the maximum quantity that SELLER shall be obligated to deliver during each calendar quarter of this Agreement shall be one fourth of the total annual quantity of this Agreement. If during any calendar quarter of this Agreement BUYER fails to take the maximum quantity of a product which SELLER is obligated to deliver during that period, and as often as such event occurs, SELLER shall have the right, upon notice to buyer to reduce the maximum quantity which SELLER is obligated to deliver during each succeeding calendar quarter by the quantity BUYER so fails to take.

2. PRICING: Unless otherwise agreed in writing, pricing for product is determined as follows: for refined products and transformer oil, Seller's price then in effect at time of shipment; for packaged lubricants and bulk lubricants, Seller's price then in effect at the time the order is placed.

3. PAYMENT: Payment shall be made in the full invoice amount, without set-off, discount or deduction in U.S. Dollars at the time of delivery or such other terms, cash or credit, as may be fixed from time to time by SELLER. In the event payment for any invoice is not received by SELLER on or before the due date, SELLER shall have the right, in addition to any other remedy available, to impose a late payment charge at the rate of 1 ½% per month (which is an annual percentage rate of 18%) or the maximum rate permitted by applicable law. BUYER shall be liable for all costs and expenses incurred in connection with the collection of BUYER'S account(s), including court costs, collection agency fees and reasonable attorney's fees.

4. FINANCIAL RESPONSIBILITY: The sale of product to BUYER is subject to credit approval by SELLER. If the financial condition of BUYER becomes impaired or unsatisfactory in the sole discretion of SELLER, advance cash payments, guarantees, a letter of credit, collateral, or other satisfactory security for each delivery shall be given by BUYER upon demand in writing by SELLER, and shipments may be withheld until such payment or security is received. If such payment or security is not received within fifteen (15) days from SELLER'S demand therefore, SELLER may immediately terminate this Agreement. This provision is also applicable in the event BUYER'S approved credit limit has been exceeded.

5. TAXES: In addition to the purchase price, BUYER shall also pay to SELLER any duty, tax, fee, or other charges (foreign or domestic) now in effect or hereafter enacted or assessed together with any interest, penalties, or other costs levied thereon, which SELLER (or its suppliers) may be required to collect or pay with respect to the production, manufacture, sale, transportation, delivery, or use of any commodity sold hereunder and which is not otherwise given effect in SELLER'S applicable prices.

6. RISK OF LOSS/TITLE TRANSFER: All product is sold at SELLER's facility (even if SELLER arranges transport of the product) unless otherwise agreed to in a written instrument signed by both parties, and title and risk of loss shall pass as follows: (a) if delivery is by transport truck, upon the loading thereof; (b) if delivery is by railroad car, upon departure of the railcar from SELLER's facility; (c) if delivery is by barge, upon receipt of a bill of lading or shipping receipt from the transportation company.

7. TRANSPORTATION:

(a) Truck. BUYER shall be responsible for any demurrage charges and any returned freight charges.

(b) Railcar. If delivery hereunder is made in SELLER'S railcars, BUYER agrees to unload railcars promptly at destination and return them to the carrier in accordance with SELLER'S routing instructions. Any demurrage charges on such railcars are to be paid by BUYER. SELLER shall have the right to collect from BUYER as liquidated damages \$75.00 per car per day, or part thereof, that are held by BUYER in excess of fifteen (15) days. This rate is subject to change without prior notice. BUYER shall not make any repairs or modifications to a railcar without the prior written consent of SELLER. If BUYER makes any repairs or modifications without SELLER'S prior written consent, SELLER shall not be liable for any such costs.

8. FAILURE TO PERFORM:

(a) Any delays in or failure of performance of either party hereto shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused by occurrences beyond the control of the party affected, including, but not limited to, acts of God or the Public enemy; expropriation or confiscation of facilities; compliance with any order or request of any governmental authority; acts of war, rebellion or sabotage or damage resulting therefrom; embargoes or other import or export restrictions, accidents or breakdowns, riots or strikes or other concerted acts of workers whether direct or indirect; fires, floods, explosions or any other causes whether or not of the same class or kind as those specifically above named which are not within the control of the party affected and which, by the exercise of reasonable diligence, said party is unable to prevent or provide against.

(b) Allocation. Notwithstanding the foregoing, if SELLER does not have sufficient supplies of product to meet the supply obligations under this Agreement and its other ongoing product supply obligations, then SELLER may allocate its available supplies of product on any basis which in SELLER's sole judgment is fair and reasonable including, but not limited to, an allocation based on historical or planned deliveries. The shortage creating the need to allocate may be based on any of the following: a condition of force majeure; an actual shortage of product; a partial or total interruption or loss or shortage of transportation facilities or supplies of product; or a shortage in the contemplated source of supply of product. SELLER shall have no obligation to make up any shortage resulting from an allocation hereunder nor shall Buyer have any obligation to accept shortfall quantities resulting from such allocation at a later date. Furthermore, this Agreement shall not be construed in any way to require SELLER to purchase product to supply any or all of the contract volume hereunder. If for any reason there is a reduction of transportation capacity in facilities through which SELLER normally makes deliveries under this Agreement, the obligation of SELLER under this Agreement to make deliveries hereunder shall, at its option, be reduced in proportion to such loss or reduction in transportation capacity. Notwithstanding the foregoing, in any case in which SELLER'S

obligations under this agreement may be reduced. SELLER shall give buyer prompt written notice of any reduction in SELLER'S obligation pursuant to the provisions of this paragraph.

(c) SELLER shall be under no obligation to make deliveries hereunder at any time when in SELLER'S sole judgment it has reason to believe that the making of such delivery would be likely to cause strikes to be called against it or cause its properties to be picketed.

(d) SELLER shall not be required to make up deliveries omitted on account of any of the causes set forth in this section.

(e) Nothing in this section shall excuse BUYER from making payment when due for deliveries made under this Agreement.

9. PRODUCT DISCONTINUENCE; SPECIFICATION CHANGES: SELLER may at its discretion: (a) change or alter the quality or specifications of any product sold hereunder; (b) discontinue the manufacture of any such product; or (c) discontinue the manufacture of any such product at a particular manufacturing or blending facility.

10. INSPECTION: BUYER shall have the right, at its expense, to have an inspection made at delivery point, provided such inspection shall not delay shipment. Should BUYER fail to make inspection, it shall accept SELLER'S inspection and count.

11. CLAIMS: With respect to bulk products, any claim for defect or variance in quality or shortage of quantity shall be made no later than 48 hours after products reach their destination, and SELLER shall be notified and given an opportunity to inspect and in case of deliveries in tank cars, this notice and opportunity shall be given prior to the unloading of the products. With respect to packaged products, any such claim shall be made within a reasonable time period (in no event to exceed sixty (60) days) following receipt of product, and SELLER shall be notified and given an opportunity to inspect. Failure of BUYER to observe this provision or the commingling of the products complained of with dissimilar products or products obtained from other supplier shall operate as a waiver of BUYER'S rights to make any such claims. UPON NOTICE AND VERIFICATION OF THE CLAIM BY SELLER, SELLER AT ITS OPTION, MAY REPLACE THE PRODUCT OR REFUND THE PURCHASE PRICE OF THE PRODUCT, WHICH SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDY HEREUNDER. BUYER HEREBY WAIVES ANY OTHER REMEDIES AVAILABLE AT LAW, INCLUDING BUT NOT LIMITED TO ANY CLAIMS FOR OTHER LOSS OR DAMAGE OF ANY TYPE INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS OR REVENUE, DOWN TIME, DEMURRAGE, LABOR COSTS, REPAIR COSTS, INSTALLATION OR REPLACEMENT OF MATERIAL, INCONVENIENCE, COST OF RENTAL OR REPLACEMENT EQUIPMENT, FAILURE OF EQUIPMENT TO OPERATE, OTHER ECONOMIC LOSS, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES.

12. WARRANTIES: If any specifications are expressly made in writing under the terms of a sale, SELLER warrants that such specifications will be met. In the absence of express specifications, SELLER warrants that the goods supplied will conform to the typical characteristics outlined in SELLER'S current technical literature relating to such goods and that it will convey good title to the goods supplied free of all liens. For packaged products, SELLER warrants further that the goods are adequately packaged, contained, and labeled and conform to the affirmations of fact made on the container and label. THE FOREGOING WARRANTIES ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES WHETHER WRITTEN, ORAL, OR IMPLIED. THE WARRANTY OF MERCHANTABILITY AND WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY EXCLUDED AND DISCLAIMED.

13. COMPLIANCE WITH LAW: BUYER represents and warrants that it will comply with all applicable laws in connection with this Agreement. BUYER represents and warrants to SELLER that neither it, its affiliates, nor any member, shareholder, owner, officer, director, employee, or other associated person is on the U.S. Office of Foreign Assets Control Specially Designated Nationals list or is otherwise covered by sanctions, embargoes, or other trade restrictions, and Buyer shall not re-sell, transfer, or otherwise use any product in violation of such laws.

14. MODIFICATION OF CONTRACT: Unless expressly provided for herein, this Agreement may be modified or rescinded only by a writing signed by both of the parties or their duly authorized agents.

15. WAIVER: No waiver by either party of any breach of any of the covenants or conditions herein contained to be performed by the other party shall be construed as a waiver of any succeeding breach of the same or any other covenant or condition.

16. ENTIRE AGREEMENT: This contract is intended as the final expression of the parties Agreement and is the complete and exclusive statement of the terms thereof. No statements or agreements, oral or written, made prior to or at the signing hereof shall vary or modify the written terms hereof; and neither party shall claim any amendment, modification, or release from any provision hereof by reason of a course of action or mutual agreement unless such agreement is in writing signed by the other party and specifically stating it as an amendment of this contract. No modification or addition to this contract shall be effected by the acknowledgement or acceptance by SELLER of any purchase order, acknowledgement, release, or other forms submitted by BUYER containing other or different terms or conditions.

17. ASSIGNMENT: This Agreement is not assignable or transferable by BUYER, directly or indirectly without the written consent of SELLER.

18. GOVERNING LAW/VENUE: This contract shall be construed in accordance with and governed by the laws of the State of Texas. Venue for any dispute related to this Agreement shall lie in a court of competent jurisdiction situated in Houston, Harris County, Texas, and Seller agrees to submit itself to the jurisdiction of the state or federal courts situated there without regards to its contacts with such forum.