

SCHEDULE E

MASTER LEASE AGREEMENT



**THROUGHPUT, OPERATING and PIPELINE USE
AGREEMENT FOR WET STOCK**

between

Tristar Terminals Guam, Inc.

and

Guam Power Authority

Contract No: TTGI-SA-2018-01

This THURPUT, OPERATING and PIPELINE USE AGREEMENT for WET STOCK (the "**Agreement**") is made and entered into as of **January 01, 2018** (the "**Effective Date**"), by and between Guam Power Authority, (hereinafter referred to as "**GPA**" or "**Customer**") and Tristar Terminals Guam Inc., a Guam corporation (hereinafter referred to as "**Operator**"), with each a "**Party**" and collectively, the "**Parties**").

RECITALS:

WHEREAS, Operator operates the facility at the Commercial Port of Guam known as the F-1 Dock under an F-1 Management Agreement between Tristar and the Port Authority of Guam; and

WHEREAS, the Customer and Operator have entered into an F-1 Dock User Agreement dated 1st of September, 2013; and

WHEREAS, Operator has manifolding equipment located on the F-1 Dock, and pipelines (the Tristar Pipelines), which run through the Port Authority of Guam leases and easements (the PAG Easements) from the F-1 Dock to a point of Intersection commonly referred to the Navy Valve Pit; and

WHEREAS, the Operator Pipelines Include a pipeline designated and known as the A, B & D Pipelines; and

WHEREAS, Operator holds a Perpetual Pipeline Easement (the Tristar DoD Easement) granted by the United States Department of Defense which extends from the Navy Valve Pit to Tristar facilities commonly known as the Agat Terminal and the Tristar Pipelines, including the A, B & D Pipelines, run through the Tristar DOD Easement to connect the Navy Valve Pit with the Agat Terminal so as to provide a continuous connection from the F-1 Dock to the Agat Terminal; and

NOW, THEREFORE, in consideration of mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

A. USAGE; DEFINITION

A.1 Usage unless otherwise specified

- a) a reference to "Sections", "Annexes", "Exhibits", and "Schedules" shall be deemed to be references to Sections of, Annexes, Exhibits and Schedules to this Agreement, unless the context shall otherwise require;
- b) a reference to a "company" shall include any company, corporation or other body corporate, wherever and however incorporated or established and irrespective of the jurisdiction in or under the law of which it was incorporated or exists;
- c) a reference to the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "or" is not exclusive. The words "hereof," "herein" and "hereunder" and words of similar import when used in any Transaction Document shall refer to the agreement as a whole and not to any particular provision of this agreement;
- d) a reference to a "day" (including within the expression "Business Day") shall mean a period of 24 hours running from midnight to midnight;
- e) a reference to time is a reference to the local time on Guam
- f) all headings and titles used are for convenience only and are not to be used for interpretation or construction;
- g) where the context so requires, words importing the singular shall include the plural and vice versa and words importing gender include any other gender;

- h) all statements or language placed in parentheses within an agreement are done so solely for the convenience and ease of reading. In no event should such statements or language be given less import or be interpreted differently than if it were not so parenthesized;
- i) any agreement, instrument, statute, code, proclamation or decree defined or referred to herein means such agreement, instrument, statute, code, proclamation or decree as from time to time amended, modified, supplanted, or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes, proclamations or decrees) by succession of comparable successor statutes, codes, proclamations or decrees

A.2 Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

- a) **"Affiliates"** means any entity or organization which directly or indirectly controls, is controlled by or is under common control with a party to this agreement. As used in this definition, "control" (and the correlatives, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise); provided, however, that in any event, any entity or organization which owns, directly or indirectly, fifty percent (50%) or more of the securities having ordinary voting power for election of directors or other governing body of a corporation or fifty percent (50%) or more of the partnership or other ownership interests of any non-corporate entity shall be deemed to control such corporation or other entity.
- b) **"Ancillary Facilities"** means those facilities and fixtures at the Terminal or F-1 Dock needed for access by User, its representatives, or its customers and their representatives in regard to this Agreement, including general ingress and egress to roadways and parking lots at the Terminal and access to loading gantries/pipeline rack lanes;
- c) **"Affected Party"** has the meaning set forth in Section 15.1 of this Agreement;
- d) **"Agreement"** has the meaning set forth in the introduction;
- e) **"Customer"** has the meaning set forth in the introduction;
- f) **"Delivery Point"** has the meaning set forth in Section 13 of this Agreement;
- g) **"Dispute"** has the meaning set forth in Section 17.1 of this Agreement;
- h) **"Effective Date"** has the meaning set forth in the introduction;
- i) **"Existing Dispute"** has the meaning set forth in Section 17.7 of this Agreement;
- j) **"Expert"** means a person of appropriate reputation, standing and relevant experience in the energy industry who has no direct or indirect personal interest in the outcome of the dispute or issue in respect of which he has been consulted pursuant to this Agreement and who has been appointed pursuant to the procedures set forth in Section G of this Agreement;
- k) **"Facility"/"Facilities"** has the meaning set forth in Section 1 of this Agreement;
- l) **"F-1 Dock"** means the Foxtrot-1 dock on Cabras Island, Guam, operated by Operator on behalf of the Port Authority of Guam.
- m) **"Force Majeure Event"** means, in relation to any Party, any act, event or circumstance, the cause of which is beyond that Party's reasonable control, including acts of God, war,

terrorist acts, any strike, lock-out or other industrial trade dispute, or federal, territorial, or municipal order, rule, legislation or regulation.

- n) **"Good Industry Practice"** means the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances and conditions.
- o) **"Insurance"** has the meaning set forth in Section 11.1 of this Agreement;
- p) **"Operator"** has the meaning set forth in the introduction;
- q) **"Operator's Safety Rules"** has the meaning set forth in Section 30 of this Agreement;
- r) **"Party"/"Parties"** has the meaning set forth in the introduction;
- s) **"Product"/"Products"** has the meaning set forth in Section C.3 of this Agreement;
- t) **"Reasonable and Prudent Operator"** means a person acting, in good faith, to perform his contractual obligations and, in doing so and in the general conduct of its undertaking, exercising the degree of skill, care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;
- u) **"Redelivery Point"** has the meaning set forth in Section 11 of this Agreement;
- v) **"Related Dispute"** has the meaning set forth in Section 17.7 of this Agreement;
- w) **"Rules"** has the meaning set forth in Section 17.1 of this Agreement;
- x) **"SOP"** has the meaning set forth in Section 27 of this Agreement;
- y) **"Term"** has the meaning set forth in Section H.1 of this Agreement;
- z) **"Terminal"** means the Agat terminal, owned by the Operator, located in the municipalities of Piti and Santa Rita, United States Territory of Guam;
- aa) **"Tribunal"** has the meaning set forth in Section 17.3 of this Agreement;

B. FACILITIES LOCATION

B.1 Facility(ies):

- a) The Terminal, including and without limitation to:
 - the tanks, pipelines, pumps, flow meters and any other fixtures or appurtenances at the Terminal needed to be utilized for this Agreement;
 - the D pipeline between the Terminal and the F-1 Dock;
Truck Loading Gantry
- b) the discharge hoses at the F-1 Dock; and
- c) the lifting equipment at the F-1 Dock
- d) Any other fixtures or appurtenances needed to be utilized for this Agreement;

B.2 Address:

Route 2a, Santa Rita Industrial Drive, Piti/Santa Rita, Guam

C. FACILITIES SERVICES

C.1 Storage:

- a) Operator agrees to provide one (1) storage tank, Tank 1906, to Customer with a total nominal capacity of one hundred ninety six thousand (196,000) barrels for the storage of Diesel product. The tanks provided for Customer's product storage shall be maintained and operated in accordance with all applicable laws and regulations throughout the term of the Agreement at Operator's sole cost.

C.2 Use of Pipelines:

The Facilities services related to the storage provided in Sections C.1(a) above include the use of Operator's cargo lines or main pipelines, including specifically main pipeline D Pipeline from the F-1 Dock to the Terminal for:

- a) receipt and/or delivery of Products from/to the Terminal to/from the F-1 Dock;
- b) receipt and/or delivery of Products from/to the Terminal to/from the SPPC Cabras Terminal;
- c) receipt and/or delivery of Products from/to the Terminal and to/from Customer's F-3 Tanks or directly to Customer's customers at F-3 Dock;
- d) receipt of Products from F-1 Dock directly to SPPC's Cabras Terminal;
- e) receipt and/or delivery of Products from/to the Terminal to/from Customer's and/or its agents' Tanks at the Operator's pipeline manifold at the Navy Tie-in; and

For the avoidance of doubt, the use of pipelines and other appurtenances inside of the Terminal necessary for the receipt/delivery operations are included in the services to be provided by Operator hereunder, including the use of the pipeline between the Terminal and the Tenjo power plant and interconnection with the GPA-Tristar pipeline at the navy tie-in for transfer of products to the GPA power plants.

C.3 Use Of Truck Loading Gantry

The Facilities services related to the storage provided in Sections C.1(a) above shall include the use of Operator's Truck Loading Gantry and other appurtenances at the Terminal needed to be utilized for this Agreement.

Operator agrees to provide Customer and its agents safe access to the facility. The Operator shall, at its sole cost, perform the safe transfer of Product into the Customer's and/or its agents' tanker trucks.

C.4 Product:

Product to be stored by Customer at the Terminal is Diesel.

C.5 Receipt/Delivery Modes:

a) Receipt modes include, but are not limited to:

- Marine
- Pipeline
- Inter-Tank Transfer

b) Delivery modes include, but are not limited to:

- Marine
- Pipeline
- Inter-Tank Transfer
- Gantry for Tanker Truck Loading

Operator shall arrange for Customer's and its customers' vessels to be berthed and unberthed at the F-1 Dock, for the hose connection between Customer's and its customers' vessels and the F-1 Dock to be connected and disconnected and for receipt and delivery of Product to Customer's or its customers' vessels.

C.6 Additional Services:

Operator shall perform the following additional services:

- a) Work with Customer to optimize the use of Operator's equipment, truck loading gantry, pipelines and tanks to increase loading and unloading rates through optimization of loading sequences and tank pipeline selection;
- b) Endeavor to allow vessels to pump at their maximum capacity;
- c) Those other services stipulated in this Agreement; and
- d) Such other services that are reasonably requested by Customer and agreed to in writing between the Parties.

D. THROUGHPUT

D.1 Allowed Throughput, Initial Fill and Batch Size:

Customer shall be entitled to an annual product throughput of 196,000 barrels or for a quantity equivalent to the total offer capacity defined in C.1. This product throughput is herein referred to "Allowed Throughput"

Allowed Throughput will be calculated by adding the total number of barrels (at natural) received and shipped per contract year divided by 2.

The initial fill quantity of 196,000 barrels or equivalent to the awarded capacity shall be excluded from the allowed throughput calculation

D.2 Excess Throughput:

For volumes in excess of the allowed throughput, Excess Throughput Charges shall be calculated by adding the total number of barrels (at natural) received or shipped in a 12-month period above the allowed throughput quantity.

Sample Calculation:

Please refer to Exhibit A

E. CONSIDERATION

E.1 Fee:

Details of the Storage, Excess Throughput Fee, and Truck Loading Fee are as follows:

- a) Payment Period: Monthly, payable on the first (1st) working day of every month for the current month.
- b) Storage Rate for Agreement Term: \$ [REDACTED] Bbl/yr. The Periodic Annual Storage Rate will be as follows

Period	Per Annum	Per Month
01-Jan-2018 to 31-Dec-2018	\$ [REDACTED]	\$ [REDACTED]

- c) Excess Throughput Rate: \$0.25 per barrel for throughput quantity over the allowed throughput defined in D.1
- d) Truck Loading Fee: For product loading carried out through Operator's Truck Loading Gantry, a loading fee of \$100 shall be charged per truck.

F. PRODUCT MOVEMENT AND TESTING

- a) Operator personnel, trained and certified in conducting flash, API gravity and physical appearance tests, will provide field level testing or Product ID checks during transfer and receipt of Products as follows at no additional cost to Customer.
- b) The Operator shall, at its sole cost, perform Product ID checks and hourly monitoring during Product transfer and receipt. Product ID checks and hourly monitoring shall be performed by Operator personnel who are trained and certified to conduct Product ID checks and hourly monitoring.

- c) Tank recertification (i.e. full specification testing) shall be done by a third party after each Product receipt or transfer as required by Customer, for the account of Customer and arranged by Customer.
- d) For the avoidance of doubt, all vessel prior-to-discharge sampling and testing, as well as tank recertification after receipt and/or transfers, shall be arranged by Customer, conducted by a third party, and at Customer's cost; provided, however, that all other sampling and testing referred to in Sections F.(a)-(b) shall be done by Operator at its cost.

G. METHOD OF HANDLING LOSSES

- a) If after receipt of Customer's Product into Operator's receiving Facility results in Product storage or handling losses, the handling and accountability of such will be as follows:
 - Customer will absorb ordinary storage and handling losses up to one fourth (1/4) of one percent (1%) of annual throughput
 - Operator will be responsible for all ordinary storage and handling losses in excess of one fourth (1/4) of one percent (1%) of annual throughput of Product

For the avoidance of doubt, ordinary storage and handling losses shall not include oil spills or discharges as defined in Section 22 and other losses due to breach in the integrity of Operator facility and/or negligent acts of Operator personnel or its agents.

- b) Storage or handling losses shall be determined and settled based on the following:
 - Bases of Computing Losses: Net loss to be determined by monthly loss and gain calculations with cumulative losses and gains to be offset against each other at the time of settlement.
 - Time of Settlement: Shall be on an annual basis at the end of each calendar year; on the termination of the Agreement if such termination occurs prior to an anniversary; or as otherwise agreed.
 - Settlement Price Reference: Average of Mean of Platts Singapore (MOPS) under the heading Gasoil 10ppm for the calendar year plus seven United States dollars (USD) per barrel.
- c) The annual settlement shall be confirmed by auditors and undertaken through manual gauging.
- d) The handling loss accountability as set forth in Section G(a) shall only apply to ADO 10ppm or alternate products stored in Tank 1906.
- e) Section 6 of the Additional Terms and Conditions shall also apply.

H. TERM OF THE AGREEMENT

H.1 Term:

This Agreement will be in effect for a period beginning with an initial term from the Effective Date and ending on December 31, 2018 ("**Initial Term**"). The Customer shall be given the option to extend the term by five (5) years ("**Extended Term**") upon expiration of the Initial Term. The Terms and Conditions of the Extended Term shall be the same as the Initial Term. The Agreement shall be terminated by either party under the conditions set forth in clause H.2 of the Agreement.

H.2 Termination:

This Agreement may be termination prior to the Term expiration under the following conditions:

- a) upon written agreement of the Parties, which agreement shall provide, among other things, the effective date of termination; or

- b) by the Party not in default upon the occurrence of a material event of default, in accordance with the provisions of Section 16 of this Agreement; or
- c) upon closure of the Terminal or termination of any of Operator's pipeline easements that is material for the provision of services hereunder; or
- d) compulsory acquisition, governmental requisition, expropriation, intervention by relevant authorities or any similar occurrence which results in the closure of Operator's Terminal or termination of its pipeline easements or which materially and adversely affects the ability of the Parties to continue with this Agreement or the ability of Operator to operate the Terminal and/or the related pipelines; or
- e) upon one (1) year's notice by customer; or
- f) by Customer under Section 6 (Compliance with Laws and Regulations) of this Agreement; or
- g) by a Party in accordance with Section 15.5 (Force Majeure) of this Agreement

In the event of early termination under section G.2(e), above, Customer shall pay operator an amount equivalent to six months of the Storage fee defined in Section E.1(b).

In the event of termination, the Parties shall in good faith and as soon as practicable endeavor to agree on the manner of winding down. Until the effective date of termination, the Parties shall continue to have and to carry out all their rights and obligations as stated in this Agreement. Termination of this Agreement for any reason shall not be deemed a waiver of any of the Parties' rights and obligations existing before the effective date of termination.

I. TANK BOTTOMS AND LINE FILL

Customer accepts that product inventory is required to enable the Facility to be operated, including inventory for tank bottoms and to fill the pipelines. The working inventory shall be recovered and returned to Customer on termination of this Agreement at Operator's expense.

Customer will be responsible for leaving the tank empty and clean on termination or expiration of this Agreement.

J. NOTICE ADDRESSES:

Customer: Guam Power Authority
PO Box 2977, Hagatna, Guam 96910

Operator: Tristar Terminals Guam Inc.
P.O. Box 8210, Agat Guam 96928,

K. OPERATIONAL CONTACTS:

Customer: Jennifer G. Sablan (Terminal Contact)


Operator: KK Vikraman (Terminal Contact)

L. OTHER PROVISIONS

The Additional Terms and Conditions attached are part of this Agreement. All reference herein to the Agreement shall include the Additional Terms and Conditions.


Executed this 28th day of December 2017.

Customer:

 12/28/2017
By: JOHN J. CRUZ, JR., P.E.

Title: GENERAL MANAGER (A)

Operator:

 12-28-17
By: John Aleje

Title: Terminal Operations Manager

ADDITIONAL TERMS AND CONDITIONS:

1. Facilities

Operator agrees to provide the facilities identified in the Agreement, hereinafter referred to as "Facility(ies)," for the storage and handling of Customer's Product.

2. Services

Operator agrees to perform all of the services listed under Section C of the Agreement.

3. Charges and Payment

Commencing with the Effective Date specified in the Agreement, Customer agrees to pay Operator the following charges; all as specified in the Agreement:

- a) All charges as specified in Section E – Consideration;
- b) All other fees and charges as set forth in the Agreement and as may be agreed upon between Operator and Customer from time to time during the term of the Agreement; and
- c) All payments under the Agreement shall be payable by Customer from thirty (30) days of receipt of Operator's monthly invoice

4. Determination of Quantity and Quality of Product

1. During Operator's custody of Product, and except as provided in sections G and 8 herein, Operator shall be responsible for Product quality and for any losses above the agreed upon parameters in Section G. The quantity of the Product handled hereunder shall be determined by an independent inspector appointed by Customer. Measurements made by or certified by such independent inspector shall be conclusive and binding upon the Parties. The costs for an independent inspector shall be for the account of Customer, except for activities requiring third party inspection for the account of Operator as specified elsewhere in this Agreement. The Customer or its customer shall provide a Certificate of Quality for the Product prior to the Product entering into the custody of Operator.
2. The quantity of Product handled hereunder shall be determined as follows:
 - 2.1 The quantity of Product received from or delivered to a marine vessel shall be determined from shore tank gauge reading taken before and after loading Product into or out of shore tanks in accordance with applicable API standards. If receiving or delivering shore tank(s) is/are active, the vessel's ullage shall be used to determine the quantity.
 - 2.2 The quantity of Product received by inter-tank transfers via pipeline shall be determined from Customer's receiving tank gauge reading taken before and after loading Product into the receiving tank in accordance with applicable API standards.
 - 2.3 The quantity of Product delivered by inter-tank transfers via pipeline shall be determined from operator's delivering tank gauge reading taken before and after loading Product into the receiving tank in accordance with applicable API standards.

2.4 For the purpose of the Agreement, a barrel shall consist of forty-two (42) U.S. gallons and a gallon shall contain two hundred thirty-one (231) cubic inches when corrected to 60°F. All measurements shall be in accordance with API standards. All quantities, however measured, shall be corrected to 60°F, using Table No. 6B of ASTM-IP Petroleum Management Tables Designation D-1250-80 for light refined oil and residual fuel products, as amended from time to time, or the applicable volume correction table for chemical products. Measurement procedures shall follow accepted good business practices and industry standards.

2.5 If there are any new products, new grade(s) of products, new users at the Terminal, or changes to operations at the Terminal or operations/services performed hereunder, Operator shall consult with and agree with Customer in regard to any new or additional product testing, quality procedures, or protocols to be undertaken, including any product interface procedures or protocols.

5 Facility Hours of Operation

The Facility will remain open twenty-four (24) hours a day, seven (7) days a week for the receipt and/or delivery of Product via marine vessel. The Facility will remain open during normal working hours for the delivery of Product via pipeline. If overtime is required to meet Customer's requirements for the delivery of Product via pipeline after normal working hours, the cost for such overtime shall be borne by the Customer, except if such overtime is required due to the failure of the facility.

Normal hours of operation are 8:00 AM through 4:00 PM, Monday through Friday. Operations during normal hours of operations will not be subject to any overtime labor charges. Services requested by customer outside of normal hours will be subject to minimum overtime charges at the rate of \$38.00 per hours, for each person, and for as many employees as the operator determines necessary, in its sole discretion to perform the work, in accordance with operators operating standards.

6 Compliance with Laws and Regulations

Operator and Customer hereby agree to comply fully and in the performance of the Agreement with all federal, territorial, and local governmental laws, regulations and rules. In the event, at any time after the date of this Agreement, any governmental or regulatory body shall require the installation or modification of facilities or fixtures, or require changes in Operator's normal operating procedures related to the storage and handling of Customer's product, Operator shall notify customer of the necessity and cost of such installation of facilities or fixtures, or changes in operating procedures, and Operator and Customer shall work, in good faith, to provide such installation of facilities or fixtures, or to make such necessary changes to Operator's operating procedures, and to adjust the compensation under the Agreement to reflect reasonably Operator's additional costs of compliance. In the event Customer decides that such increase in costs or change in operating procedure is onerous or prohibitive, Customer may, upon sixty (60) days written notice, cancel the Agreement. Customer expressly relieves Operator of any and all obligations hereunder to provide the facilities and/or services when such facilities and/or services are contrary to law, regulation or ruling.

7 Reports

Operator agrees to provide on a daily basis (a) reports summarizing receipts and deliveries of Customer's Product, into and out of storage, including the quantities received and delivered, the date of each such transaction, (b) reports of the actual inventory of Customer's Product in each of the storage tanks covered by Agreement, and (c) reports on any Product gains or losses. In addition, at the end of each calendar month during the term thereof, Operator shall provide to Customer a report, summarizing for such month, receipts and deliveries of Customer's Product, into and out of storage, the beginning storage inventory, the ending inventory, and any gain or loss of actual physical inventory over computed inventory. All product measurements shall be adjusted to a standard temperature of sixty (60) degrees Fahrenheit.

8 Responsibility for Loss, Damage, or Contamination

Subject to Customer's responsibility under Section G, Operator shall be responsible for any type of loss of or damage (including contamination) to the Product while it is in Operator's custody. In the

event of a loss of or damage to Product while it is in Operator's customer, at Customer's option, Operator will either (a) replace product of like kind and quality at some agreed location or (b) restore Product to receipt quality. Any salvage or residual value received or credited for the lost or damaged Product shall revert to or be credited to Operator in the event that Operator replaces any portion or all of the lost or damaged product. Adjustments for storage and handling losses shall be made pursuant to Section F of the Agreement. Adjustment for other loss, contamination, or damage shall be made upon discovery thereof. If Operator shall make payments under this Section 8 or Section G, it shall bear any applicable taxes or duties related thereto.

9 Verification and Inspection

Customer or its representatives or Customer's customers, at its expense, shall have the right during the term of the Agreement: (a) to make periodic operational inspections of the Facilities, (b) to verify changes made by Operator under this Agreement by requesting Operator to provide any pertinent records including those that substantiate Operator's charges to Customer and those records which are the basis for periodic escalation of the various charges to Customer, and (c) to conduct physical verifications of the amount of Product stored in the Facilities; provided all such inspections shall be made during Operator's normal working hours and after reasonable notice to Operator such that performance of said inspections will not disrupt Operator's operations.

10 Cleaning of Facilities

Cleaning of the Facilities is for the account of Operator. Notwithstanding the foregoing sentence, if cleaning of the Facilities is necessary due to an agreed-upon change in the Product to be stored and/or handled therein during the Term of the Agreement per Customer request, then such cleaning will be for the account of Customer.

11 Insurance

11.1 Customer shall maintain, at its sole cost, at all times while performing under this Agreement, the following insurance coverage with limits not less than but not limited to those limits required below (the "Insurance").

- 11.1.1 Commercial General Liability Insurance unamended or Comprehensive General Liability Insurance with Broad Form CGL endorsement with limits of not less than One Million Dollars (\$1,000,000) each occurrence and One Million Dollars (\$1,000,000) general aggregate; CG 2503, or its equivalent, amending aggregate limits shall apply.
- 11.1.2 Business Automobile Liability Insurance covering all vehicles used in the operations of Customer with limits of liability of not less than: Bodily injury One Million Dollars (\$1,000,000) each person, One Million Dollars (\$1,000,000) each accident; Property damage One Million Dollars (\$1,000,000); or a Combined Single Limit of One Million Dollars (\$1,000,000) for bodily injury and property damage, such policy to be endorsed with MSC-90 when hazardous material transportation is involved.
- 11.1.3 Workers' Compensation Insurance and/or Longshoremen's and Harbor Workers' Compensation Insurance as required by laws and regulations applicable to and covering employees of Customer performing under this Agreement.
- 11.1.4 Employers' Liability Insurance protecting Customer against common law liability, in the absence of statutory liability, for employee bodily injury arising out of master-servant relationship with a limit of not less than One Million Dollars (\$1,000,000) Each Accident; One Million Dollars (\$1,000,000) Disease-Policy Limit; One Million Dollars (\$1,000,000) Disease-Each Employee.

11.2 If Customer uses watercraft:

- 11.2.1 Customer guarantees that for the duration of this Agreement, Vessel(s) will have Protection and Indemnity (P&I) insurance of not less than Five Million Dollars

(\$5,000,000) for its account through entry of Vessel(s) in one of the International Group of P&I Clubs. In addition, the Vessel(s) will have Hull and Machinery insurance for the current market value of the Vessel(s) with collision liability or, if the Vessel's hull is self-insured, full collision liability insurance shall be included in the Owner's P&I insurance coverage.

11.2.2 Customer acknowledges that it has in place pollution insurance with terms and limits of not less than Ten Million Dollars (\$10,000,000) through the International Group of P&I Clubs and that this cover will remain in place throughout the period of this Agreement.

11.2.3 In accordance with the law, Insurance policies shall provide for a written notice of cancellation or material change. Notice of cancellation or change shall not affect the Insurance until thirty (30) days after written notice is received by Customer. Any deductible or retention of insurable risks shall be for Customer's account.

12 Indemnification

12.1 Operator shall defend, indemnify and hold harmless Customer and its affiliates, directors, officers, and agents from and against any loss, damage, claim, suit, liability, judgement and expense (including attorney's fees and other costs of litigation or arbitration) arising out of injury, disease or death of any persons, damage to or loss of any property or fines or penalties to the extent caused by or resulting from negligence of operator, its employees or agents, in the performance of this Agreement, except to the extent that such injury, death, damage to or loss of property may be caused by or resulting from negligence on the part of operator, its employees or agents.

12.2 Customer shall defend, indemnify and hold harmless Operator and its affiliates, directors, officers, and agents from and against any loss, damage, claim, suit, liability, judgement and expense (including attorney's fees and other costs of litigation or arbitration) arising out of injury, disease or death of any persons, damage to or loss of any property or fines or penalties to the extent caused by or resulting from negligence of Customer, its employees or agents, in the performance of this Agreement, except to the extent that such injury, death, damage to or loss of property may be caused by or resulting from negligence on the part of Customer, its employees or agents.

12.3 In no event, shall either Party be liable to, and each Party hereby waives all rights to recover from, the other Party for any special, consequential, incidental, exemplary or punitive loss, damage or expense (including lost profits) or business interruption loss.

12.4 Operator or Customer, as soon as practicable after receiving notice of any suit brought against it under this Section 12, shall furnish to the other full particulars within its knowledge thereof and shall render all reasonable assistance requested by the other in the defense. Each Party shall have the right, but not the duty to participate, at its own expense, with counsel of its own selection, in the defense and/or settlement thereof without relieving the other Party of any obligations hereunder.

12.5 The parties obligations under this section 12 shall survive any termination of the Agreement for a period of two years.

13 Title and Custody

Title to the Product stored and/or handled hereunder shall always remain with Customer. Operator shall be deemed to have custody of and responsibility for Product starting from the time during receipt when it passes (a) the flange connection of the vessel's delivery line, (b) the flange of the receipt line

at Operator's Facility on pipeline receipts, or (c) the tank truck's delivery connection ("**Delivery Point**"), and ending during re-delivery when Product passes (d) the flange connection between Operator's delivery line and the vessel's receiving line, or (e) the pipeline's receiving connections, or (f) the tank car's and/or tank truck's receiving equipment ("**Redelivery Point**").

14 Taxes

Customer shall pay any and all taxes, assessments, or charges levied on Product covered hereunder as a result of Customer's activities which Operator may be required to pay or collect under any federal, territorial, or municipal law or authority now in effect or hereinafter enacted. Operator shall pay any and all taxes, assessments, or charges levied against it for the performances of services hereunder.

15 Force Majeure

15.1 If a Party (the "**Affected Party**") is materially prevented, hindered or delayed from performing any of its obligations under this Agreement solely and directly by reason of a Force Majeure Event, the Affected Party shall be relieved of the obligation to comply with and liability for such obligation, provided that the Affected Party has notified as soon as reasonably practicable in writing the other Party of the nature, extent, effect and likely duration of the circumstances constituting the Force Majeure Event. A change of economic, monetary or fiscal circumstance, which renders compliance with the terms of this Agreement uneconomic for either or both Parties, shall not of itself constitute a Force Majeure Event.

15.2 As soon as reasonably practicable after the end of the Force Majeure Event the Affected Party shall notify the other Party in writing that the Force Majeure Event has ended and shall resume performance of obligations under this Agreement.

15.3 For the avoidance of doubt, neither Party is released from any of its obligations or liabilities under this Agreement arising prior to a Force Majeure Event, and this Agreement, subject to Section 15.5, shall remain in effect for the duration of a Force Majeure Event. The Affected Party shall use reasonable endeavors to mitigate the impact of the Force Majeure Event and to remedy its inability to perform as quickly as is reasonably practicable.

15.4 Failure or inability to make payment pursuant to this Agreement shall not be a Force Majeure Event except where such failure is a direct result of a Force Majeure Event.

15.5 If a Force Majeure Event continues for a period of sixty (60) days, then either Party hereto shall be entitled (as its sole remedy therefore) to terminate this Agreement by notice in writing to the other Party and with immediate effect.

15.6 The Parties shall cooperate to minimize any adverse impact of temporary interruptions or shortages which do not amount to a Force Majeure Event.

16 Default

A material breach of any of the terms and conditions of the Agreement by either Party shall constitute a default hereunder. Upon default, the non-defaulting Party shall, within thirty (30) days of knowledge thereof, notify, in writing, the defaulting Party of the particulars of such default and the defaulting Party shall have thirty (30) days thereafter to cure such default. Upon the defaulting Party's failure to cure the default within the thirty (30) days grace period, any and all obligations, including payment payments of fees due hereunder, shall, at the option of the non-defaulting Party, come immediately due and payable. In the event of default and defaulting Party's failure to cure during the cure period, the non-defaulting Party shall also have the option to terminate the Agreement upon written notice to the defaulting Party. The waiver by the non-defaulting Party of any right hereunder shall not operate to waive any other such right nor operate as waiver of that right at any future date upon another default by either Party hereunder.

17 Arbitration

17.1 Any dispute, controversy or claim (whether in tort, contract, under statute, or otherwise) between

the Parties arising out of, relating to, or in connection with this Agreement, including a dispute regarding the existence, validity or termination of this Agreement or the relationship between the Parties established by this Agreement and any dispute arising from or relating to those indemnification procedures (each a "Dispute"), shall be referred to and finally and exclusively resolved by arbitration. Prior to initiation of arbitration, however, a duly appointed representative of each party shall meet together within five (5) days of one party notifying the other Party of a dispute in an effort to resolve such dispute by discussion between them but failing to resolve such dispute within a further five (5) day period, either party may initiate arbitration as provided below.

17.2 Either Party may initiate arbitration by providing to the other a written notice of arbitration specifying the claims to be arbitrated. If a Party refuses to honor its obligations to arbitrate under this Agreement, the other Party may compel arbitration in either federal or territorial court in Guam. In deciding the substance of any Dispute, the Arbitrators shall apply the substantive laws in the Territory of Guam.

17.3 The arbitral tribunal (the "Tribunal") shall consist of one (1) arbitrator, to be appointed by both parties. In the event that the parties are unable to agree upon one arbitrator, any party may compel appointment of an arbitrator in either federal or territorial court in Guam.

17.4 The place of the arbitration shall be Guam and the language of the arbitration shall be English. The Guam Rules of Civil Procedure and Guam Rules of Evidence shall apply in the arbitration.

17.5 Should a vacancy arise because any arbitrator dies, resigns, refuses to act or becomes incapable of performing his functions, the vacancy shall be filled by the method by which the arbitrator was originally appointed. When a vacancy is filled, the newly established Tribunal shall have sole discretion to determine whether any hearings shall be repeated.

17.6 If any Dispute arises out of substantially the same facts as are the subjects of an existing dispute (a "Related Dispute"), then the Tribunal appointed or to be appointed in respect of any such existing dispute shall also be appointed as the Tribunal for the Related Dispute.

17.7 Where, pursuant to the above provisions, the same Tribunal has been appointed in relation to two or more Related Disputes, the Tribunal may order that the whole or part of the matters at issue shall be heard together upon such terms or conditions as the Tribunal thinks fit. The Tribunal shall have power to make such directions and any interim, partial or final awards as it considers just and desirable.

17.8 Except as required by applicable law, each Party shall maintain the confidentiality of (a) the existence of any arbitral proceeding; (b) any documents produced or exchanged by the Parties during any arbitration proceeding; (c) any documents prepared during any arbitration proceeding for use therein; and (d) any arbitral award.

17.9 The costs of arbitration, including the cost of the Arbitrators, the expenses related thereto, administrative fees, fees of experts appointed by the Arbitrators and reasonable legal fees of a Party shall be allocated by the Arbitrators to reflect the Party's relative success and failure in the award of the Arbitrators. Any award of the Arbitrators shall be made in United States Dollars.

17.10 Nothing in this Section 17 shall be construed as preventing any Party from seeking conservatory or similar interim relief from any court of competent jurisdiction.

17.11 Any award of the Tribunal shall be made in writing and shall be final and binding on the Parties. The Parties undertake to carry out the award without delay.

17.12 Except as provided in section 17.10 above, the Parties hereby waive any right to apply to any court of law and/or other judicial authority to determine any preliminary point of law, including without limitation, the questions of whether the dispute is arbitrable and within the jurisdiction of the Tribunal, which shall be decided by the Tribunal, and/or review any question of law and/or the merits, insofar as such waiver may validly be made. The Parties shall not be deemed, however, to have waived any right to challenge any award on the ground that the Tribunal lacked substantive jurisdiction and/or the ground of serious irregularity affecting the Tribunal, the proceedings or award.

18 Assignability

This Agreement shall not be assigned, in whole or in part, by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however, that Customer shall be allowed to assign this Agreement without written consent of the Operator to a wholly-owned affiliate on a one-time only basis, in the event that all or a substantial portion of Customer's remaining business in Guam are sold or shut down. If any assignment is made pursuant to this Section 18, then such assignment shall be binding upon and shall inure to the benefit of the successors of the respective Parties hereto and the assigning Party shall be fully released and discharged from any further obligations or liabilities hereunder for all purposes.

19 Modification

The Agreement shall not be modified or changed except by written instrument executed by the duly authorized manager or officer of the Parties hereto.

20 Notices

Any notice required or permitted hereunder by one Party to the other shall be in writing and the same shall be given and shall be deemed to be served and given if (a) delivered in person to the address set forth in the Agreement for the Party to whom the notice is given, (b) if placed in the United States mail, postage prepaid, addressed to the Party at the address set forth in the Agreement, or (c) sent by facsimile with receipt acknowledged. The addresses for Customer and Operator shall be as specified in the Agreement. From time to time, either Party may designate another address.

21 Independent Contractor

In performing services pursuant to the Agreement, Operator is acting solely as an independent contractor maintaining complete control over its employees and operations. Neither Operator nor Customer is authorized to take any action in any way whatsoever for or on behalf of the other, except as may be necessary to prevent injury to persons or property, or, in accordance with Section 22 of the Agreement, to contain, reduce or clean up any spills that may occur.

22 Spills/Environmental Pollution

In the event of any Product spill or discharge or other environmental pollution, Operator shall commence containment or clean-up operations and shall notify Customer immediately of such operations if such impacts or arises out of the services performed under this Agreement. All costs of containment or clean-up shall be borne by Operator, unless such spill or discharge referred to in this Section 22 is the result of Customer's negligence, in which case Customer shall reimburse promptly Operator for all costs of containment or clean-up as a result of Customer's negligence. In the event a third party is legally liable for costs and expenses borne by Customer under this Section 22, Operator shall cooperate with Customer for the purpose of obtaining reimbursement.

23 Product Specifications

As attached in Exhibit A, which exhibit may be updated from time to time.

24 License to Use/Access Facilities and Ancillary Facilities

For the term of the Agreement, Operator grants a license to Customer and its customers and their representatives for access to and within the Facilities and use of the Ancillary Facilities.

25 Demurrage

25.1 Operator shall have no responsibility for demurrage unless attributable to either breach of this Agreement, the Operator's negligence, or the failure of the Facilities, which include the tanks, pipelines and pumps at the Terminal and the pipelines between the Terminal and the F-1 Dock, in

which event Operator shall reimburse Customer for demurrage paid to the vessel owner by reason of such negligence or failure.

25.2 For purposes hereof, the Facilities shall be deemed to have failed when receiving a discharge from a vessel, the vessel is unable to pump D-Pipeline (16" line) at eighty (80) psi.

26 F-1 Dock

Customer acknowledges the transfer of pipeline (cargo lines or main pipelines A,B & D) is six (6) miles long and has static head lift requirement of one hundred eighty-three feet (183'). Customer acknowledges that the berth, which is owned by the Port Authority of Guam, and managed by Operator, will accept vessels based on the PORT & BERTH RESTRICTIONS/ MAXIMUM & MINIMUM VESSEL CRITERIA section of the Agat Terminal Port and Terminal Information Handbook, which is reviewed, updated and issued by Operator from time to time and copies of which are provided to the Customer and its fuel suppliers. The latest edition of this Handbook, dated October 31, 2013, has the following information:

Maximum LOA:	259 meters
Maximum Breadth:	45 meters
Maximum Vessel Draft Alongside:	16.4592 meters
Maximum Displacement:	108,840 MT
Maximum Freeboard:	23 meters

27 Standard of Performance and HSSE Compliance

The Operator shall:

- a) comply with all applicable laws and requirements in regard to its duties and its performance of services under this Agreement and shall instruct its employees to comply with respect to same, including compliance with the provisions of the United States' Foreign Corrupt Practices Act;
- b) maintain, repair, renew and operate the Facilities and carry out its obligations under this Agreement in accordance with all applicable laws and to the standard of a Reasonable and Prudent Operator;
- c) use and ensure its personnel use Good Industry Practice;
- d) obtain, maintain, renew and/or replace all licenses, permits, approvals, clearances, certificates, authorizations and consents required under applicable laws to perform its obligations under the Agreement;
- e) notify Customer of any changes under applicable laws affecting this Agreement; and
- f) ensure that it and its personnel observe and comply with all operational and safety rules, procedures and requirements pursuant to applicable laws and as set out in this Agreement, including working with Customer to observe Customer's HSSE Policy and Commitment.

The Operator shall take in account the above requirements in establishing or amending any standard operating procedures at the Facilities and Ancillary Facilities for the handling of Products ("**SOP**"). A copy of any such SOP and any changes thereto as it relates to services provided hereunder shall be sent to Customer.

28 Capital Expenditures for Facilities

For the avoidance of doubt, all capital expenditures related to the Facilities (e.g. relocation of pipelines) are for the sole account of Operator and such shall not be passed through to Customer without the express written mutual agreement of the Parties (excluding in any event any costs associated with the removal, lowering, or relocation of the main pipelines for which Customer has paid for in any form or fashion under this Agreement or otherwise); provided, however, that in the event that Customer requests any capital expenditures or upgrades to the Facilities for its use, then such capital expenditures shall be passed through to Customer in a form as mutually agreed upon.

29 Sub-Storage

Customer may make its storage rights under this Agreement available to third parties, in whole or in part, by sub-contract with the prior written consent of Operator, which consent shall not be unreasonably withheld.

30 Operator Safety Policies/Rules

Operator shall communicate in writing to Customer any rules and instructions from the time being in force (collectively "Operator's Safety Rules") applicable to: (a) access to the Facilities and Ancillary Facilities, (b) loading and safety at the Facilities and Ancillary Facilities, and (c) standards applicable to the condition of road tankers loading Product at the Facilities and Ancillary Facilities. Changes to any Operator's Rules shall be communicated by notice in writing to the other Party and shall be effective two (2) weeks from the date of receipt of such changes. The Operator's Safety Rules shall take into account Customer's HSSE Policy and Commitment.

31 Miscellaneous

- 31.1 If any section or provision of the Agreement or any exhibit or schedule hereto shall be determined to be invalid by applicable law, then for such period that the same is invalid, it shall be deemed to be deleted from the Agreement and the remaining portions of the Agreement shall remain in full force and effect.
- 31.2 The failure of a Party hereunder to assert a right or enforce an obligation of the other Party shall not be deemed a waiver of such right or obligation.
- 31.3 This Agreement shall be construed in accordance with the laws of the Territory of Guam, excluding any conflict of law principles that would direct application of the laws of another jurisdiction. This Section 31.3 shall survive indefinitely.
- 31.4 The Agreement constitutes the entire agreement of the Parties regarding the matters contemplated herein or related thereto, and no representations or warranties shall be implied or provisions added hereto in the absence of a written agreement to such effect between the Parties hereafter.

32 TANK SUBSTITUTION

Following the written request of Operator and only with the subsequent written approval of the Customer, Operator may provide available storage with tanks other than those detailed in the agreement to enable Preventive Maintenance, Tank Cleaning and Internal Inspections, and Tank Farm optimization, provided:

- a) The storage tank configuration proposed is determined by Customer to be entirely suitable for Customer's use, and no additional costs will arise in Customer's operations from the alternate configuration;
- b) Tanks are for Customer's sole use;
- c) All works associated with tank substitution, and expenditure on tanks shall be undertaken at Operator's sole cost;
- d) During the execution of tank substitution works, Customer's product in tank bottoms or pipelines which cannot be recovered at a commercially reasonable cost shall be considered as an acceptable product loss, not subject to the product loss provision in Section G in the standard conditions and Section 8 under the additional terms and conditions. Operator agrees to work with Customer to maximize the recovery.
- e) Tank 1913 shall be offered as a substitute tank on comingled basis.
- f) Operator and customer agree that within the 5 year term of this contract, operator will substitute tanks as set out in the following schedule in order complete the refurbishment of the primary tank listed in Section C.1

Substitute Tank Details:

Tank No.	Diameter (FT)	Height (FT)	Nominal Capacity (bbls)	Maximum Safe Capacity (bbls)	Percent of Contracted Capacity
1908	84	55	54,163	51,495	51,495/196,000 = 26.27%
1913	67	32	20,094	14,015	14,015/196,000 = 7.15%
1924	80	56	50,135	47,625	47,625/196,000 = 24.29%
Total			124,392	113,135	113,135/196,000 = 57.72%

33 FEEES FOR TANK SUBSTITUTION

- a) The storage fee shall be adjusted pro-rated to the available storage versus the contracted capacity of 196,000 bbls. For example, if the available storage was reduced to 113,135 bbls, the monthly fee will be adjusted to 113,135/196,000 or 57.72% of the applicable monthly fee.
- b) Where the available storage is substituted other than at the beginning of the month, the adjusted fee will be applicable for the number of days in the month that the adjusted available storage was available for Customers use. For example, if the available storage was changed to 113,135 bbls starting from the 11th of the month, the adjusted fee will be applicable for the period 11th to the end of the month, while the original applicable storage will be applied to the first 10 days of the month

34 OPERATOR FUEL LOADING/UNLOADING PROCEDURES

Operator and Customer or its agent shall perform the services required under Section C.3 according to Operator's fuel loading/unloading procedure specified in " Appendix A"

Fuel Loading/Unloading Operation Procedure

Tristar Terminals Guam, Inc.



Document Information

Rev. No.	Doc. Number	Doc. Description	Prepared By	Reviewed By	Approved By
02	TTGI-PRC-HSE-12	Fuel Loading/Unloading Operation Procedures	J. Katabig	J. Afleje	KK. Vikraman

Revision History

Rev. No.	Date	Change Details
00	May 1, 2017	Initial Release
01	December 1, 2017	Additional precautionary requirement for loading at pump station
02	December 26, 2017	Section 9.3 clarification of specific responsibilities during vehicle loading operation.

Revision 02 December 26, 2017

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1. SCOPE

- 1.1 This procedure provides instructions and recommendation for bunkering delivery procedures at F1 area and loading/unloading operations at Agat Terminal area
- 1.2 To provide standard that is compatible with the work process, and provides protection while doing bunkering and loading/unloading of petroleum products.
- 1.3 This procedure applies to all Tristar Terminals Guam Inc. company vehicle and third party lease vehicle.
- 1.4 This procedure covers product transfer such as pipeline, terminal, F1 and vehicle tank truck.

2. PURPOSE

- 2.1 This document describes the HSE procedure to be followed when doing loading/unloading of petroleum products at F1 and Agat terminal.
- 2.2 This procedure applies to all performed loading/unloading of petroleum products.
- 2.3 This procedure outlines the emergency response action to be taken in case any emergency and outlines the emergency requirements and control measures during the operation.

3. REFERENCES

- 3.1 TTGI HSE Management System
- 3.2 TTGI Emergency Rescue Plan
- 3.3 USEPA Rules and Regulation
- 3.4 DOT Rules and Regulation
- 3.5 OSHA 29 CFR 1910 (General Industry)
- 3.6 USCG applicable rules and regulation
- 3.7 Guam Department of Motor Vehicle

4. Definition and Abbreviations

4.1 Definitions

- 4.1.1 Designee – A person designated by TOS/MOS to carry out a duty on his behalf.
- 4.1.2 Bunkering – Is a process of supplying fuels to the ship for their own use.

4.2 Abbreviations

- 4.2.1 TTGI- Tristar Terminals Guam Inc.
- 4.2.2 USEPA – United States Environmental Protection Authority
- 4.2.3 DOT – Department of Transportation
- 4.2.4 OSHA – Occupational Safety and Health Administration
- 4.2.5 SDS – Safety Data Sheet
- 4.2.6 USCG – United States Coast Guard
- 4.2.7 TOS – Terminal Operations Supervisor
- 4.2.8 TOM – Terminal Operations Manager
- 4.2.9 MOS – Marine Terminal Supervisor

5. Responsibilities

5.1 Terminal Operations Manager

- 5.1.1 Is responsible for ensuring that supervisor to coordinate in all operation including emergency situation.
- 5.1.2 TOM carries overall responsibility in loading /unloading operation safety and efficiently.

5.2 Maintenance Engineer

- 5.2.1 Ensure all tools and equipment are in good condition.
- 5.2.2 Develop inspection checklist for tools and equipment.
- 5.2.3 Replacement of tools and equipment if necessary.
- 5.2.4 Coordinates with terminal and F1 supervisor for equipment maintenance.

5.3 HSSE Engineer

- 5.3.1 Shall be responsible for monitoring the implementation of this procedure.

5.4 Terminal Operations Supervisor (Terminal Activities)

- 5.4.1 Responsible to fill in delivery receipt or his designee.
- 5.4.2 Ensure loading/unloading activities is in accordance with the procedure.
- 5.4.3 Responsible for initiating emergency response action.
- 5.4.4 Responsible for incident notification report and investigate as per TTGI accident investigation procedures.
- 5.4.5 Coordinates with Facility security supervisor/officer for any vehicle entry for loading and unloading activities.

5.5 Marine Operation Supervisor(F1 Activities)

- 5.5.1 Responsible to fill in delivery receipt or his designee.
- 5.5.2 Ensure bunkering activities is accordance with the procedure
- 5.5.3 Responsible for initiating emergency response action.
- 5.5.4 Responsible for incident notification report and investigate as per TTGI accident investigation procedures.
- 5.5.5 Coordinates with Facility security supervisor/officer for any vehicle entry for loading and unloading activities

5.6 Facility Security Supervisor/Officer

- 5.6.1 Shall ensure all personnel and vehicle entering the premises complies with company security rules and regulations.

5.7 Operators (Designated person to perform loading and dispatching operation.)

- 5.7.1 Operators is responsible to fill in relevant checklist.
- 5.7.2 Ensure the loading and dispatching operation is performed in accordance to the procedure.

6. TRAINING

- 6.1 All person involved in this operation shall undergo awareness in safe handling and transfer of petroleum products.

7. PERSONNEL PROTECTIVE EQUIPMENT REQUIREMENT

- 7.1 Minimum PPE requirement are as follows: (note all PPE will be provided by the employer)
 - 7.1.1 Foot Protection
 - 7.1.2 Eye Protection
 - 7.1.3 Hand Protection
 - 7.1.4 Coverall or Long Sleeves with reflector
 - 7.1.5 Head Protection(Note: All PPE are in compliance with OSHA requirement)

- 7.2 Refer to Safety Data Sheet for additional information.

8. TOOL AND EQUIPMENT

- 8.1 Pumps
- 8.2 Intrinsically Safe communication equipment
- 8.3 Transfer hoses

- 8.3.1 Shall be tested 110 % of hose allowable pressure using water as a test medium.
- 8.3.2 Frequency of testing shall be done bi annual and copy of certificate to be provided
- 8.4 Quick connect hose fittings with safety pin
- 8.5 Flange and quick connect fittings gaskets
- 8.6 Drip Tray/Drip pan or Buckets
- 8.7 Spill Kit and Absorbent pads are to be provided in loading and dispatching area with monthly inspection record.

9. PROCEDURE

9.1 General Information

- 9.1.1 Note: For further information refer to following TTGI documents as a reference
 - 9.1.1.1 Risk Management and ControlTTGI-PRC-HSE-04
 - 9.1.1.2 Incident Reporting and InvestigationTTGI-PRC-HSE-05
 - 9.1.1.3 Permit to Work System.....TTGI-PRC-HSE-06
 - 9.1.1.4 Hazards Communication ProcedureTTGI-PRC-HSE-07
 - 9.1.1.5 Respiratory Protection ProgramTTGI-PRC-HSE-10

9.2 Operators

- 9.2.1 Qualified operators will be selected and trained on emergency situation and safe handling of petroleum products during loading and dispatching operation.
- 9.2.2 A copy of Product Safety Data sheet shall be available on site.
- 9.2.3 Safety Briefing shall be conducted prior to transfer and include SDS information.
- 9.2.4 Bunkering Operations(F1 area)
 - 9.2.4.1 Transfer/Bunker transfer sheet prior to bunker operation.
 - 9.2.4.2 Notification and Authorization of both parties required prior to commencing bunker operation and upon completion of the operation.
 - 9.2.4.3 Receive request for bunker services.
 - 9.2.4.4 Identify the tank to be used.
 - 9.2.4.5 Types of product to be bunkered
 - 9.2.4.6 Is there any simultaneous operation

9.2.4.7 Quantity of product to be bunkered

9.2.4.8 Approval from vessel designated person to carry out bunkering.

9.2.4.9 Comply and Inspection documentation requirement prior to bunkering.

9.2.4.10 Dispatch personnel/Operators shall don all PPE requirement for the task.

9.2.4.11 Identify the current level of the pumping and receiving tanks if it is sufficient to handle quantity to be bunkered.

9.2.4.12 Line check and quick connect fittings inspection.

9.2.5 Commencing bunker operation

9.3.8.1 Verify receipt at meter and receiving vessel

9.3.8.2 Verify no leaks on pump, hoses, pipelines and tank.

9.3.8.3 Verify readings on pump gauges.

9.2.6 Completion of bunker operation

9.2.6.1 Secure all valves on meter cart.

9.2.6.2 Drain all hoses to the receiving tanks.

9.2.6.3 Replace all fittings

9.2.6.4 Verify total tank volume and total product transferred.

9.3 Agat Terminal vehicle loading and dispatching operation. [Responsible Party

Marked in Square Brackets]

9.3.1 General Procedure

9.3.1.1 Filling operation shall be done by trained operators [Tristar]

9.3.1.2 Non Intrinsically safe mobile mobile shall deposited at security main gate.
[Hauler/GPA]

9.3.1.3 Vehicle shall have complete documents as per Federal rules and regulations [Hauler/GPA]

9.3.1.4 Vehicle must have daily checklist and pressure ABC type of fire extinguisher
[Hauler/GPA]

9.3.1.5 Vehicle engine must be switch off. *[Hauler/GPA]*

9.3.1.6 Drivers shall comply all Guam Department of Motor Vehicle rules and regulations. *[Hauler/GPA]*

9.3.2 Prior to loading/unloading

9.3.2.1 Visually check vehicle tank for any incompatible products. *[Hauler/GPA]*

9.3.2.2 Visual checking in all hoses and loading arm quick connection fittings. *[Tristar]*

9.3.2.3 Verify the tank vehicle sufficient volume is available in the storage tank.
[Hauler/GPA]

9.3.2.4 Secure the tank vehicle with wheel chocks to prevent accidental movement.
[Tristar]

9.3.2.5 Vehicle parking brake shall be engage. *[Hauler/GPA]*

9.3.2.6 Verify proper alignment of truck loading valves and pumping system is running in good condition. *[Tristar]*

9.3.2.7 Connect properly bonding/grounding prior to connecting to the fuel transfer Point. *[Tristar]*

9.3.3 During Loading/unloading.

9.3.3.1 Driver must stay with vehicle at all times during the operation. *[Hauler/GPA]*

9.3.3.2 Terminal operations supervisor or his designee shall be in full control during the operation. *[Tristar]*

9.3.3.3 Continuously monitoring all loading arm quick connect fittings, piping and hoses during the filling operation. *[Tristar]*

9.3.3.4 When making a connection, shut off the vehicle engine and use the facility Pump but if facility pump is not working vehicle is allowed for pump operation only.

9.3.3.5 Gradually decrease the flow rate to prevent overflow. *[Tristar]*

9.3.3.6 Minimum of two operators during any filling operations must be assigned, one at the receiving area and one at the pump station area. *[Tristar]*

9.3.3.7 Operators shall communicate with each other during filling operation via radio. *[Tristar]*

9.3.4 Loading/Dispatching Completion

9.3.4.1 Close all tanks and loading valves before disconnecting. *[Hauler/GPA]*

9.3.4.2 Verify all vehicle internal and external cover valves before disconnecting. *[Hauler/GPA]*

9.3.4.3 Ensure hatches are close properly and sealed if required by customer. *[Hauler/GPA]*

9.3.4.4 Disconnect the bonding wires or scully if available *[Tristar]*

9.3.4.5 Remove wheel chocks *[Tristar]*

9.3.4.6 Ensure vehicle tank are free from any leaks prior to departure. *[Hauler/GPA]*

Note: If loading to be done in pump station additional precautionary measure to be taken:

9.3.4.7 Empty all the hoses after loading. Use drip tray if necessary. *[Tristar]*

9.3.4.8 Cap the end of the hose before shifting outside the secondary containment area. *[Tristar]*

Note Applicable for Contract# TTGI-SA-2018-01:

Tristar shall have the rights to refuse loading, if the above procedures are not complied with Hauler/GPA.

In addition to the aforementioned sections on responsibilities, Tristar responsibility shall end at the loading arm dry connect fitting.

9.4 Loading and Dispatching of petroleum products from or to F1 area and Agat Terminal

using pipelines.

9.4.1 Marine supervisor shall notify TOM to transfer petroleum products.

9.4.2 Marine supervisor or his designee shall complete all bunkering procedure.

(Refer to section 9.3)

9.4.3 Marine supervisor or his designee shall coordinate with Terminal operations supervisor or his designee before during and after completion of transfer.

9.5 Fire precautions

9.5.1 Adequate and suitable fire extinguisher shall be provided during the operation.

9.5.2 Firefighting awareness to be given to all employees involve in product transfer.

10. ATTACHMENT

10.1 Agat terminal loading gantry area.

Attachment 10.1 Agat terminal loading gantry area

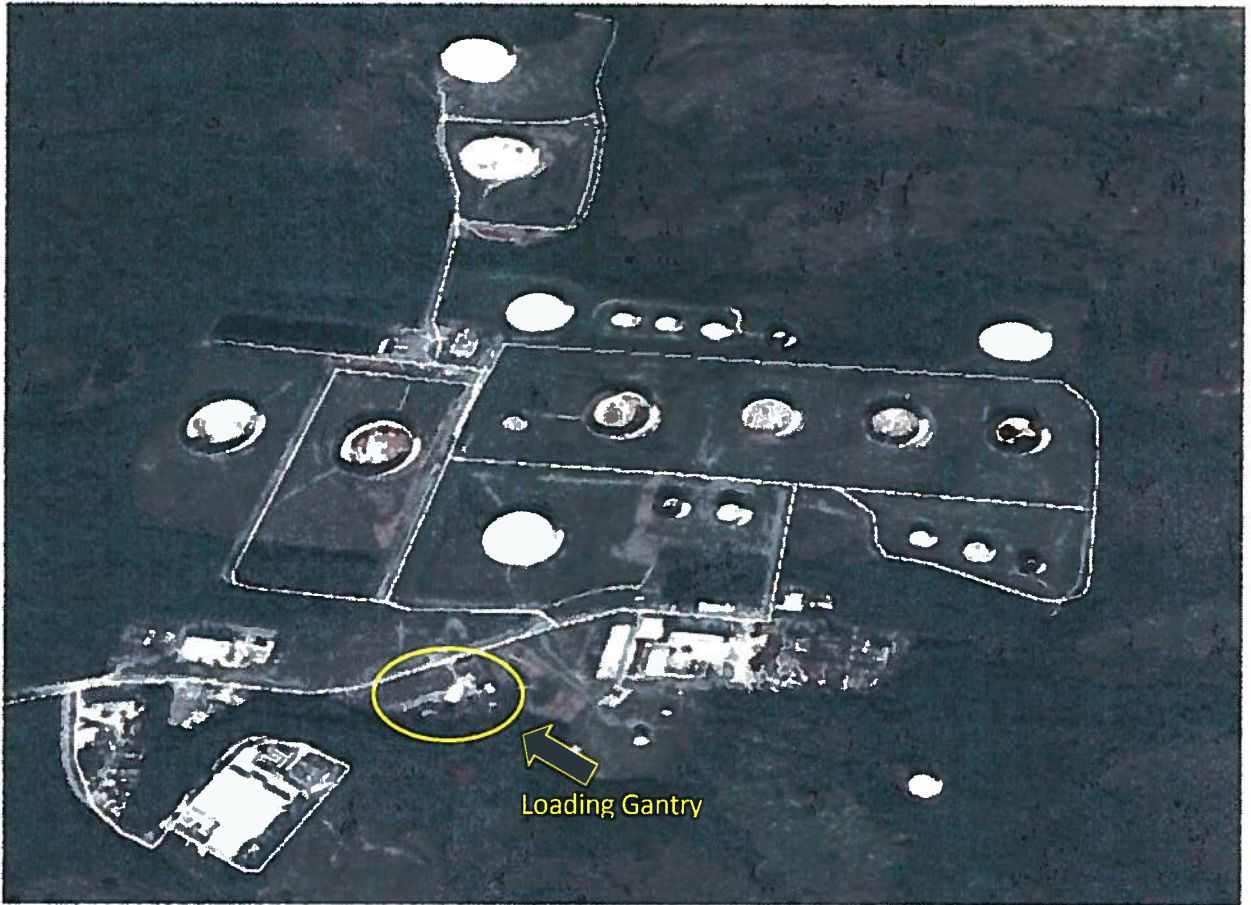


EXHIBIT A

Example of Excess Throughput Calculation

Tank 1906 Throughput Statement for the Inception to Date period 31-Oct-2017: Contract Year 1

Contract Start

1-Dec-16

TANK 1906 CONTRACTED STORAGE CAPACITY

196,000.00

Date	Month	Description of Activity	Incoming(Bbls) @ Ambient	Outgoing(Bbls) @ Ambient	Cumulative Throughputs	Allowed/Exces s Throughput	Status	Excess Throughput Qty for the Month	Excess Throughput Charges @ 0.25 for the month
01-Nov-16	Nov-16	M/T XYZ	100,000.00		100,000.00	-588,000.00			
31-Dec-16	Dec-16	No Transactions	0.00	0.00	100,000.00	-488,000.00	Allowed	None	None
31-Jan-17	Jan-17	No Transactions	0.00	0.00	100,000.00	-488,000.00	Allowed	None	None
28-Feb-17	Feb-17	No Transactions	0.00	0.00	100,000.00	-488,000.00	Allowed	None	None
31-Mar-17	Mar-17	No Transactions	0.00	0.00	100,000.00	-488,000.00	Allowed	None	None
22-Apr-17	Apr-17	Stock Delivery / Tank 1906 to ABC		20,000.00	120,000.00	-468,000.00	Allowed	None	None
30-May-17	May-17	M/T XYZ	150,000.00		270,000.00	-318,000.00	Allowed	None	None
02-Jun-17		M/T XYZ	100,000.00		370,000.00	-218,000.00	Allowed		
12-Jun-17	Jun-17	Stock Delivery / Tank 1906 to ABC		50,000.00	420,000.00	-168,000.00	Allowed	None	None
20-Jun-17		Stock Delivery / Tank 1906 to ABC		50,000.00	470,000.00	-118,000.00	Allowed		
19-Jul-17	Jul-17	M/T XYZ	200,000.00		670,000.00	82,000.00	Excess	82,000.00	\$ 20,500.00
25-Aug-17	Aug-17	Stock Delivery / Tank 1906 to ABC		50,000.00	720,000.00	132,000.00	Excess	50,000.00	\$ 12,500.00
02-Sep-17		Stock Delivery / Tank 1906 to ABC		10,000.00	730,000.00	142,000.00	Excess		
06-Sep-17		Stock Delivery / Tank 1906 to ABC		10,000.00	740,000.00	152,000.00	Excess		
07-Sep-17		M/T XYZ	100,000.00		840,000.00	252,000.00	Excess		
08-Sep-17	Sep-17	M/T XYZ	100,000.00		940,000.00	352,000.00	Excess	270,000.00	\$ 67,500.00
11-Sep-17		Stock Delivery / Tank 1906 to ABC		10,000.00	950,000.00	362,000.00	Excess		
13-Sep-17		M/T XYZ	20,000.00		970,000.00	382,000.00	Excess		
19-Sep-17		Stock Delivery / Tank 1906 to ABC		10,000.00	980,000.00	392,000.00	Excess		
22-Sep-17		Stock Delivery / Tank 1906 to ABC		10,000.00	990,000.00	402,000.00	Excess		
			770,000.00	220,000.00				402,000.00	\$ 100,500.00

Notes:

- In the above example, excess throughput quantities for the month is identified under the "Allowed/Excess" Throughput field
- Allowed Throughput for the respective contract year's is calculated as follows
 Contract Year Allowed Throughput
 Y 1 Allowed Throughput = Contract Capacity X 2 + Initial Fill
 Y 2 Allowed Throughput = Contract Capacity X 2
 Y 3 Allowed Throughput = Contract Capacity X 2
 Y 4 Allowed Throughput = Contract Capacity X 2
 Y 5 Allowed Throughput = Contract Capacity X 2
- Excess throughput quantity is calculated as follows:
 Allowed Throughput Qty
 Less Incoming Bbls @ Ambient + Outgoing Bbls @ Ambient
- The "status" field denotes if the inbound or outbound transaction is an allowed or excess throughput transaction
- Excess throughput charges is calculated by multiplying the "excess throughput qty for the month" and the excess throughput unit charge defined under clause E.1.d i.e. \$0.25 per