



Phillips 66 Company
Petroleum Products

Exchange Addendum

For the exchange of all Products, subject to Exchange Addendum, (the "Addendum") the Phillips 66 Company Products Purchase/Sale Agreement - General Terms and Conditions ("GT&Cs") are incorporated herein by this reference, except that all uses of the words "sale" and "purchase" (in their various forms) shall mean "delivery" and "receipt" (in their various forms), and "Seller" shall mean delivering Party and "Buyer" shall mean receiving Party. In the event of a conflict between the GT&Cs and the terms and conditions set forth in this Addendum, the terms of this Addendum shall prevail. Capitalized terms used herein and not otherwise defined shall have the meaning specified in the GT&Cs.

1. **Title, Risk of Loss, and Delivery.** Title to and risk of loss of the Product delivered and received hereunder shall pass to the receiving Party as the Product passes from the last flange connecting the delivering facility's equipment to the receiving facility's equipment. Delivery shall occur when title to the Product passes to the receiving Party. The Parties shall establish a mutually acceptable schedule for deliveries of Product hereunder.
2. **Taxes.** In addition to the provisions of Section 14 of the GT&C's, for purposes of the federal ethanol blender's tax credit or refund the receiving Party shall be regarded as the "blender" of the gasoline or gasoline blend stock and ethanol. For purposes of the federal biodiesel and renewable diesel blender's tax credit or refund, the delivering Party shall be regarded as the "blender" of the diesel and biodiesel.
3. **Joint Ownership.** When both receiving Party and delivering Party own an interest in the terminal to which the products are being delivered, the payment of any applicable insurance or property taxes (including fees or other charges imposed or assessed by governmental or regulatory bodies), the incident of which occurs prior to the transfer of title to the product(s), shall be shared by receiving Party and delivering Party on the basis of each Party's withdrawals of Products from the terminal each month.
4. **Exchange Basis.**
 - 4.1 Except for the exchange fees (Differentials), Taxes, governmental fees or other payments expressly provided for in this Addendum, each exchange Transaction shall be on a gallon-for-gallon basis without the payment of money by one Party to the other Party. Except as otherwise provided herein, the volumes of Product delivered by the Parties hereunder shall be kept in approximate balance throughout the term of each Transaction. In the event that the exchange becomes out of balance by 30% of receiving Party's total truck nomination due to the receiving party not being able to deliver the projected balance owed as planned, then the delivering Party may suspend delivering Product until such time as an approximate balance is restored. Any exchange imbalance due either Party shall be carried forward from month to month with and subsequent deliveries will be being applied first to the exchange imbalance and then to further delivery obligations, or purchased by the owing party as per terms of the exchange agreement..
 - 4.2 Differentials based on pipeline tariffs shall be adjusted upward or downward in an amount equal to the change to the applicable pipeline tariff. Changes in tariffs

effective the first day of the Month shall modify the Differential as of the first day of that month. Changes in tariffs effective other than on the first day of the month shall modify the Differentials effective the first day of the following month. No notification is necessary to change the Differentials for a common carrier pipeline. Pipeline loss allowances stated in the tariff will be borne by receiving Party for pipelines that charge for volumetric loss.

- 4.3** Each Party shall be responsible for notifying the other Party of all cancellations of their respective agents' terminal lifting privileges. Such cancellation shall be immediately given by telex or certified mail. Each Party hereby agrees that it shall be responsible for any unauthorized liftings of product(s) by its respective agents or former agents prior to the other Party's receiving notice of cancellation of such agents' terminal lifting privileges.
- 5. Statements/Invoices.** On or before the last day of each Month, each Party shall submit to the other Party an exchange statement/invoice and any necessary supporting data. Such exchange statement/invoice shall list the Differentials, Taxes, governmental fees and/or other payments due to the invoicing Party for Product(s) delivered to the other Party during the immediately preceding month. In addition, the Parties shall prepare and acknowledge an exchange balance reconciliation for each Month. All invoices and reconciliations shall be prepared in accordance with the Council of Petroleum Accountants Society of North America, AG-17, Refinery and Marketing Exchange Accounting.
- 6. Right to Witness.** Each Party, at its own expense, shall be entitled to have its representatives present during all loadings, unloadings, tests, and measurements involving product(s) delivered hereunder. Both Parties agree that their agents and employees will comply with all safety regulations of the other Party when such agents or employees are on the premises of the other Party and have been informed of such safety regulations.
- 7. Force Majeure.** In addition to the provisions of Section 8 of the GT&C's, neither Party shall be obligated to deliver or receive if the other has declared a Force Majeure.