

WILLIAMS OLEFINS, L.L.C.
OLEFINS
GENERAL TERMS AND CONDITIONS

The sale of Products purchased hereunder is expressly limited and conditioned upon acceptance of the following general terms and conditions. Unless otherwise stated herein or otherwise mutually agreed in writing, any differences from or additions to the following, including without limitation any terms in the Buyer's purchase order or any other document, correspondence or communication from Buyer, are not accepted by Seller. No such term in Buyer's purchase order or any other document, correspondence or communication from Buyer is, nor shall be, accepted by Seller except in a separate writing executed by Seller. These general terms and conditions are deemed an offer of sale by Seller. If Buyer does not accept this offer by execution hereof, Buyer shall be deemed to have accepted this offer by purchasing or taking delivery of Product from Seller and acceptance is expressly limited to these terms. Buyer and Seller are sometimes referred to collectively as "Parties" or singularly as "Party."

Section 1. INTERPRETATION

1.1 Definitions: The following capitalized terms, and the capitalized derivatives thereof, shall have the following meanings:

"Actually Placed" means the time when a nominated shipment of Product railcars are placed or spotted within the property boundaries of the rail Delivery Point.

"Affiliate" means with respect to a Party, any other entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the specified Party. For purposes of this definition, "control" shall mean ownership of more than 50% of either the outstanding voting stock of the controlled entity, as to corporations, or other ownership interests which carry with them the right to direct the policies and management of the subject entity, as to non-corporate entities.

"Agreement" means the terms and conditions set forth in this document and in any Confirmation(s) for any outstanding Transaction(s).

"Barrel" means 42 U.S. Gallons.

"Business Day" means a Day on which Williams is open for business and a Business Day shall open at 8:00 a.m. and close at 5:00 p.m. prevailing Central Time ("CT").

"Buyer" means the Party that agrees to purchase Product as evidenced by the applicable Confirmation, and may be either Party.

"Confirmation" means a written notice or Electronic Record confirming the specific terms of a Transaction or amendment thereto.

"Constructive Placement" means the time when the railroad attempts to deliver a nominated shipment of Product railcars and the Company (or the designated third party responsible for receipt of railcars on behalf of Company) cannot receive the railcar at the Delivery Point for any reason.

"Contract Period" means the term of any particular Transaction as set forth in the applicable Confirmation.

"Contract Quantity" means the quantity of Product to be delivered and received in any particular Transaction as set forth in the applicable Confirmation.

"Day" means the 24-hour period commencing immediately after 12:00 midnight on any calendar Day and ending at 12:00 midnight 24 hours thereafter.

"Delivering Party" means the Party delivering Product under a Transaction, meaning the Seller in the case of a Purchase/Sale Transaction and the Party delivering exchanged Product in the case of an exchange Transaction.

"Delivering Terminal" means the plant, pipeline or storage facility at which Product is transferred to tank cars or tank trucks for further transport to Receiving Party's facilities or other selected destination and, as may be required by Section 5.1, as set forth in a Confirmation.

"Delivery Month" means the Month for nominated deliveries as set forth in the applicable Confirmation.

"Delivery Point" means the point(s) for delivery and receipt of Product in any particular Transaction.

"Differential" means, in non-exchange Transactions, the differential between the Product cash price and an identified index price, as set forth in the applicable Confirmation.

"Electronic Record" means a record created, stored generated, received, or communicated by electronic means, including but not limited to the use of a computer program, electronic data interchange, electronic mail, facsimile, telex, telecopy, or scanner.

"Exchange Differential" means, in exchange Transactions, the net difference in price per Pound or price per Gallon between the Products exchanged by the Parties, as set forth in the applicable Confirmation. The Confirmation shall set forth the Party responsible for payment of the Exchange Differential.

"Firm Physical" means those Transactions for which a Party may be excused from delivery or receipt of the Contract Quantity during the Contract Period only upon occurrence of Force Majeure or as otherwise agreed in the applicable Confirmation.

"Force Majeure" is defined in Section 14.

"Gallon" means a United States gallon containing 231 cubic inches at 60 degrees Fahrenheit.

"Month" means the period beginning immediately after 12:00 midnight on the first (1st) Day of a calendar month and ending at 12:00 midnight on the last Day of the same calendar month.

"NGL Products" means any liquid hydrocarbons produced in conjunction with natural gas processing and/or crude oil refining, including but not limited to ethane, propane, butane, isobutane, natural gasoline, and condensate, which are sold, purchased, or exchanged in Transaction(s), all of which meet the specifications agreed to by the Parties.

"Nominated Volume" means, with respect to Prepay Product Purchase/Sale Transactions, the Parties' good faith estimate of the volume of Product to be delivered by Seller and Received by Buyer in a specified Delivery Month as set forth in the applicable Confirmation.

"Petrochemical Products" means any petrochemical products produced in conjunction with natural gas liquid olefin cracking processing, including but not limited to propylene, ethylene, crude butadiene, and pygas, which are sold, purchased, or exchanged in Transaction(s), all of which meet the specifications agreed to by the Parties.

"Pound" means a unit of weight equivalent to sixteen (16) ounces avoirdupois.

"Price" means the amount expressed in U.S. Dollars in any particular Transaction.

"Product" means any Petrochemical Products and/or NGL Products which are sold, purchased, or exchanged in Transaction(s) and as set forth and described in the applicable Confirmation, all of which meet the specifications agreed to by the Parties.

"Receiving Party" means the Party receiving Product under this Agreement, meaning the Buyer in the case of a Purchase/Sale Transaction and the Party receiving exchanged Product in the case of an exchange Transaction.

"Seller" means the Party that agrees to sell Product as evidenced by the Confirmation, and may be either Party.

"Special Provisions" means those terms and conditions set forth in a Confirmation which shall apply to a specific Transaction.

"Tax" means any tax levied, assessed or claimed to be due by any duly constituted Federal, State, County, Tribal, or Municipal Government or any other governmental agency.

"Transaction" means an agreement between the Parties for the purchase, sale, or exchange of Product to be performed under this Agreement, establishing among other things, and where applicable, the type of Product, Contract Period, Contract Quantity or Nominated Volume, Price, Delivery Point(s), and Special Provisions, if any.

1.2 Confirmations: Each Confirmation which has become binding upon the Parties on the basis set forth in Section 3.2 shall constitute an integral part of this Agreement and the Transaction to which it applies, and shall be read and construed as one with the terms herein; provided, however, that any discrepancy between the terms and conditions set forth herein and the terms and conditions set forth in a Confirmation shall be resolved in favor of the terms and conditions set forth in the Confirmation. More than one Confirmation may be in effect between the Parties from time to time and at any given time. All Transactions are entered into in reliance on the fact that this Agreement and all Confirmations form a single agreement between the parties, and the Parties would not otherwise enter into any Transactions.

1.3 Forward Contract:

- (A) The parties understand and agree that (i) Transaction(s) hereunder constitute "forward contracts" within the meaning of title 11 of the United States Bankruptcy Code (the "Bankruptcy Code"); (ii) each of the parties is a "forward contract merchant" within the meaning of the Bankruptcy Code with respect to any Transactions that constitute "forward contracts"; (iii) all payments made or to be made by one party to the other party pursuant to this Agreement constitute "settlement payments" within the meaning of the Bankruptcy Code; (iv) all transfers of credit support by one party to the other party under this Agreement constitute "margin payments" within the meaning of the Bankruptcy Code; (v) each party's rights under each of Section 9.5 (Failure to Pay), Section 12.3 (Termination of Agreement), and Section 13 (Financial Responsibility) of this Agreement, constitute a "contractual right to liquidate" the Transactions within the meaning of the Bankruptcy Code, and (vi) this Agreement constitutes a "master netting agreement" within the meaning of the Bankruptcy Code and each party is deemed as a "master netting agreement participant" within the meaning of the Bankruptcy Code.
- (B) For purposes of this Agreement, neither party is a "utility" as such term is used in Section 366 of the Bankruptcy Code, and each party agrees to waive and not to assert the applicability of the provisions of said Section 366 in any bankruptcy proceeding wherein such party is a debtor. In any such proceeding, each party further agrees to waive the right to assert that the other party is a provider of last resort.
- (C) Upon a party becoming bankrupt, the other party shall be entitled to exercise its rights and remedies under this Agreement in accordance with the safe harbor provisions of the Bankruptcy Code set forth in, inter alia, Sections 362(b)(17), 546(e), 548(d)(2), 556 and 560 thereof.

Section 3. TRANSACTIONS

3.1 Agreement to Transactions; Consent to Recording: The Parties may, but are under no obligation to, agree upon the terms and conditions of a Transaction, and, subject to documentation of such agreement pursuant to the Confirmation procedure below, such Transaction shall be binding on both Parties. Company acknowledges that Williams may in its discretion record its employees' telephone conversations and consents to Williams recording conversations between Williams employees and Company employees, including conversations of Transactions between the Parties.

3.2 Confirmation Procedure:

- (A) Each agreement between the Parties shall be confirmed in writing or Electronic Record by Williams and transmitted by means of telecopy or other electronic transmission to Company. Company shall promptly execute the Confirmation and return a copy to Williams by means of telecopy. If Company contends that the Confirmation contains any errors, Company shall notify Williams, in writing or by Electronic Record, of any such alleged errors.
- (B) Unless Company furnishes to Williams notice of alleged errors by telecopy or other electronic transmission of the second (2nd) Business Day following the Business Day of receipt of the Confirmation from Williams, the Confirmation shall be conclusive evidence of the Transaction that is the subject matter thereof, and shall, along with the terms herein, be the final expression of all its terms, notwithstanding any failure of Company to execute such confirmation.
- (C) Any telecopy or other electronic transmission shall, when printed, be deemed a "writing" or "in writing" and, when maintained in the ordinary course of business, shall constitute an "original writing." Any electronic signature, including but not limited to a "bit map" or digital signature, attached to or logically associated with a Confirmation or notice under this Agreement shall be deemed to be a "signature" and satisfy any rule or law requiring a signature. The Parties agree not to contest or assert a defense to the validity or enforceability of an Electronic Record or an electronic signature, in accordance with Agreement, under laws relating to whether certain agreements are to be in writing or signed by the Party to be bound. Neither Party shall object to the admissibility of the Electronic Record or electronic signature on the basis that such were not maintained in documentary form under either the hearsay rule, the best evidence rule, or other rule of evidence.
- (D) The Confirmation shall bind the Parties to the particular Transaction for the purchase, sale, or exchange of or prepayment for Product in accordance with the terms set forth in the Confirmation and herein.

3.3 Equipment and Electronic Record: Williams shall at its expense maintain equipment necessary to generate and send the Electronic Record Confirmation and shall maintain the Electronic Record Confirmation in such a manner as to protect it from improper access; provided, Williams shall not be liable for any equipment malfunction or the operation thereof in respect of any Transaction **WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING, WITHOUT LIMITATION, THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.** No Transaction shall be made ineffective should a malfunction occur in equipment regularly utilized for generating, sending, and storing Electronic Record Confirmations of Transactions, and in such event, the Transaction shall be evidenced by the written and computer record of the Parties concerning the Transaction. The Electronic Record Confirmation generated by Williams shall control in the event Electronic Record Confirmations are generated by both Parties.

Section 4. VOLUME

Subject to the other provisions of this Agreement, Delivering Party agrees to sell or exchange and deliver and Receiving Party agrees to purchase or exchange and receive the Contract Quantity or Nominated Volume set forth in the Confirmation. The delivery and acceptance of Product under a Transaction shall be on a ratable basis unless otherwise agreed in a Confirmation.

Section 5. PRICE

5.1 Purchase and Sale: As written in the Confirmation, the Price shall be inclusive of all royalties, currently effective transportation charges, taxes, expenses and costs arising from or attributable to the Product prior to its delivery to the Delivery Point(s). If a transaction is for sale of Product on a delivered basis at Receiving Party's destination, the Confirmation shall so state, and any transportation costs and expenses from the Delivering Terminal to the Delivery Point(s) shall be borne by Receiving Party.

5.2 Exchanges: Except for the Exchange Differentials, taxes, and other governmental fees or charges provided for in any Confirmation, and except as otherwise provided in any Confirmation, exchanges under this Agreement shall be on a Pound-for-Pound basis for Petrochemical Products and on a Gallon-for-Gallon basis for NGL Products without the payment of any money by either Party to the other. Exchange 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 alter the Exchange Differential as of the first Day of the Month. Changes in tariffs effective other than on the first Day of the Month shall alter the Exchange Differentials effective the first Day of the following Month. No notification is necessary to change the Exchange Differential 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. Unless otherwise provided in the applicable Confirmation, the quantities of Product delivered hereunder shall be kept in approximate balance throughout the term of the exchange Transaction; provided, however, small imbalances may be carried forward from Month to Month upon agreement by the Parties. Upon termination of this Agreement for any reason, the Party having received the smaller volume of Product shall continue to receive Product from the other Party until the deliveries of each Party to the other are as nearly equal in quantity as loading into pipelines, tank cars, or tank trucks will permit. Any small balance then due either Party may be invoiced to the other Party at the then mutually agreed upon market price of the

Product at the Point(s) of Delivery.

5.3 Price Re-determination: If the Price for a Transaction is to be calculated or determined by reference to any posted or published price or index and any such posted or published price or index ceases to exist, then the Parties agree to promptly, and in good faith, negotiate a mutually satisfactory replacement. A posted or published price or index will be deemed not to cease to exist in the event that an entity that posts or publishes the particular price or index is replaced or succeeded by a successor entity which carries on substantially the same business and continues to post or publish prices on substantially the same basis as the original entity.

Section 6. PROPANE ODORIZATION

6.1 Delivering Party's Obligation: Unless otherwise agreed to by the Parties, Delivering Party shall odorize or cause to be odorized all Propane delivered into tank trucks or tank cars.

6.2 Applicable Law: Propane shall be odorized in accordance with all applicable laws and regulations unless otherwise instructed in writing by Receiving Party, or unless otherwise required by applicable law.

6.3 Testing: Receiving Party shall test Propane delivered by Delivering Party at the Delivery Point(s). If such Propane is not satisfactorily odorized Receiving Party shall not accept delivery of Propane until Delivering Party has been notified and has had an opportunity to further odorize such Propane before delivery to Receiving Party.

6.4 Non-Odorization: IF PERMITTED BY LAW AND IF REQUESTED IN WRITING BY RECEIVING PARTY, PROPANE SOLD AND DELIVERED HEREUNDER MAY BE UNODORIZED, IN WHICH EVENT RECEIVING PARTY SHALL ASSUME FULL RESPONSIBILITY AND LIABILITY AND SHALL INDEMNIFY DELIVERING PARTY FOR ANY AND ALL CLAIMS ARISING OUT OF THE TRANSPORTATION, USE, AND SALE OF SUCH PROPANE. Prior to each delivery of unodorized Propane, Receiving Party shall provide to Delivering Party an executed letter in substantially the form attached hereto as Exhibit "A."

Section 7. DELIVERY OF PRODUCT

7.1 Delivery Point: Nothing herein shall be interpreted to require Delivering Party to deliver Product or Receiving Party to receive Product at any point(s) not agreed to as the Delivery Point(s).

7.2 Transportation: Unless otherwise set forth in the Confirmation, Delivering Party shall be responsible for all arrangements necessary to deliver Product hereunder to the Delivery Point(s) and Receiving Party shall be responsible for all arrangements necessary to receive Product at the Delivery Point(s).

7.3 Quality: All Product delivered under this Agreement shall meet the specification for that Product, if any, set forth in the applicable Confirmation or the Product specifications attached thereto. If no Product specifications are set forth, all NGL Products delivered under this Agreement shall meet the latest Gas Processors Association ("GPA") specifications for that Product and all Petrochemical Products delivered under this Agreement shall meet the general industry specifications for that Product and no Product shall contain deleterious substances or concentrations of any contaminants that may make it or its components commercially unacceptable in general industry application.

7.4 Measurement: The basis of measurement of all Product shall be a Pound for Petrochemical Products and shall be a Gallon or Barrel for NGL Products. All measurement quantities shall be corrected to standard conditions of 60 degrees Fahrenheit, and volume and compressibility correction factors shall be determined from referenced American Petroleum Institute ("API") or GPA tables or computer programs used to generate these tables for NGL Products and from applicable industry standards for Petrochemical Products. Measurement shall be performed in the manner customarily utilized at the Point(s) of Delivery in accordance with one of the following alternatives:

- (A) For all deliveries into or out of tank cars, the quantity shall be determined by official tank car capacity tables, meters, or by weighing, in accordance with all appropriate GPA and API standards for NGL Products and with appropriate industry standards for Petrochemical Products, as revised from time to time;
- (B) For all deliveries into or out of transport and tank truck equipment, quantities shall be determined by meters, slip tube, rotary gauging device or by weighing, in accordance with all appropriate GPA and API standards for NGL Products and with appropriate industry standards for Petrochemical Products, as revised from time to time;
- (C) For all deliveries into or out of pipelines, quantities shall be determined by turbine or positive displacement pipeline meter in accordance with all appropriate GPA and API standards for NGL Products and with appropriate industry standards for Petrochemical Products, as revised from time to time;

7.5 Delivery, Ownership, Title, Control and Risk of Loss: Ownership, title, control and risk of loss to Product shall pass from Delivering Party to Receiving Party upon delivery of Product at the Delivery Point(s) as further described in this Paragraph 7.5.

- (A) When the Delivery Point(s) is "FOB point of origin", delivery shall be deemed to occur (1) to tank cars, when the Product passes the last flange of the Delivering Party's facility; (2) to pipelines, when the Product has passed the downstream flange of the meter metering the Product for delivery; and (3) to tank trucks, when the Product passes the last flange of the Delivering Party's facility.

- (B) When the Delivery Point(s) is "FOB point of destination", delivery shall be deemed to occur (1) from tank cars, when the railcars are Actually Placed within the property boundaries of the Delivery Point, (2) from pipelines, when the Product has passed the upstream flange of the meter metering the Product for delivery, and (3) from tank trucks, when the Product has passed the last flange of the tank truck's delivery equipment.
- (C) When the delivery is by an in-line or Product inventory transfer, delivery shall be deemed to occur upon execution of the order by the applicable pipeline carrier or storage facility.

7.6 Inspection: Product delivered hereunder is subject to inspection and approval at the Delivery Point(s). Each Party shall be entitled to have its representatives present during all loadings, unloadings, tests and measurements involving delivery of Product under this Agreement. Each Party may secure at its own expense outside inspectors to perform gauging, sampling and testing. If composite sampling is required, the composite sampling system shall be installed and operated in accordance with GPA standard 2174. The composite sampler shall be operated to collect flow - proportional, based on indicated volume, samples only when there is flow through the meter. These samples shall be accumulated in and removed from a single piston cylinder with mixing capability.

7.7 Non-Conforming Product: Receiving Party reserves the right to reject and refuse acceptance of Product that is not in accordance with any Product specifications or Delivering Party's Warranties. Product not accepted will be held for Delivering Party's instructions at Delivering Party's risk and if Delivering Party so instructs, returned to Delivering Party at Delivering Party's expense. All claims by Receiving Party for deficiencies in the Product quantity or quality shall be made to Delivering Party within five (5) Business Days of Product delivery or shall be conclusively deemed waived by Receiving Party, and Delivering Party shall have no liability with respect thereto. Delivering Party will only accept a claim of the Receiving Party for Product shortages on rail car or tank truck shipments when: (i) the Product shortage for the relevant month is in excess of one percent (1%) of the total loaded quantity recorded on the bill(s) of lading for such month; (ii) the Receiving Party promptly notifies the Delivering Party by telephone (followed by prompt written confirmation) of the Product shortage and obtains the Delivering Party's permission to unload the shipment; (iii) the Receiving Party provides the Delivering Party with a summary for the relevant month of all loaded quantities; and (iv) the Receiving Party obtains a sworn affidavit attesting to the Product shortages from the destination railroad agent or delivering carrier and submits said affidavit to the Delivering Party with the Receiving Party's claim of Product shortage.

7.8 Allocation & Proration: With respect to all Transactions except Firm Physical Transactions, Seller's obligation to deliver shall be subject to Product allocation, proration schedules, and availability.

7.9 Order of Delivery: In the event that more than one confirmation exists between the Parties for any particular delivery period, all Firm Physical Transactions shall be deemed delivered and received before any non-Firm Physical Transactions. If more than one Firm Physical Transaction exists for any particular delivery period, then the oldest Transaction, based upon the date of the Confirmation, shall be deemed delivered and received first, the next oldest Transaction shall be deemed delivered and received second, etc.

Section 8. WARRANTIES AND REPRESENTATIONS

8.1 Warranty of Title: Delivering Party warrants title to all Product delivered by it hereunder, and further warrants that it has the right to sell and transfer title to the same and that said Product is free and clear of all liens, claims and encumbrances. In the event of any adverse claim being asserted against the Product, Receiving Party may withhold payment, without interest, of sums due hereunder up to the amount of the claim, and, in the case of exchanges, Receiving Party may suspend its corresponding delivery obligation until such claim shall have been finally determined or until Delivering Party shall have furnished other adequate securities or indemnities.

8.2 Specifications: Delivering Party represents and warrants that any Product delivered hereunder shall conform to the specifications for that Product as set forth herein or in the applicable Confirmation. **UNLESS OTHERWISE EXPRESSLY STATED IN THE AGREEMENT, NEITHER PARTY MAKES ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, EVEN IF SUCH PURPOSE IS KNOWN TO THE DELIVERING PARTY.**

8.3 Delivery Compliance: Each Party represents and warrants that any Product delivered and received hereunder shall be delivered and received in full compliance with all applicable federal and state laws, rules and regulations. Receiving Party represents and warrants that its personnel engaged in the transfer and loading of Product from the Delivering Terminal locations shall be familiar and comply with all relevant requirements and procedures of the Delivering Terminal, including the Spill Prevention, Control and Countermeasures (SPCC) plan, and emergency management procedures.

8.4 Hazardous Nature of Product: Receiving Party represents and warrants that it is knowledgeable and aware that the Product delivered hereunder is hazardous material and that Receiving Party is sophisticated and knowledgeable with respect to (i) the hazards and risks associated with such Product, and (ii) the handling, receipt, transportation, storage and use of such Product, and (iii) the fact that odorant loss, degradation or absorption may occur during transportation or storage of Propane and the resulting potential for lack of warning of Propane presence. Moreover, Receiving Party agrees to conduct all odorization testing upon receipt and prior to any resale or transfer of Propane as is necessary to ensure that the rate of odorization is adequate to comply with all regulatory requirements and safety considerations.

8.5 Health and Safety Information: Delivering Party shall furnish to Receiving Party Material Safety Data Sheets, which include health, safety and other hazard communication information on Product consistent with Occupational Safety and Health Administrations Hazard Communications Standard. Receiving Party represents and warrants that it shall cooperate with Delivering

Party to facilitate the dissemination of the Material Safety Data Sheets (or the information on them) and any health and safety warnings and notices from Delivering Party concerning Product sold hereunder to its employees, contractors, subcontractors, agents and representatives. Upon Request of Delivering Party, Receiving Party shall promptly and accurately provide to Delivering Party a listing of the types of uses made of Product sold by Delivering Party. Further, Receiving Party shall make reasonable efforts to determine the uses of Product sold hereunder by Receiving Party's customers. Receiving Party shall also transmit to Receiving Party's customers any health and safety warnings and notices received from Delivering Party promptly after such are furnished to Receiving Party by Delivering Party.

Williams' Material Safety Data Sheets provide detailed information needed to use the products in a safe and environmentally acceptable manner and meet local, state, and federal requirements. MSDS may be accessed on the Williams' website at <http://co.williams.com/safety/material-safety-data-sheets-msds/>

8.6 Insurance: Receiving Party represents and warrants that it shall procure and maintain or cause its agents, contractors and their subcontractors and representatives to procure and maintain, if applicable, the greater of 1) insurance coverage as described in Paragraphs (A) through (D) below or 2) insurance coverage in compliance with U.S. Department of Transportation Regulations and the requirements of the laws of the state(s) in which delivery of Product will occur with respect to the receipt of Product hereunder and/or any activities related thereto. The limits set forth below are minimum limits and shall not be construed to limit Receiving Party's liability. All costs and deductible amounts will be for the sole account and at the sole expense of Receiving Party or its agents, contractors and subcontractors.

- (A) Worker's Compensation insurance complying with the laws of the state or states having jurisdiction over each employee, and Employer's Liability insurance with limits of \$1,000,000 each accident, \$1,000,000 disease each employee, and \$1,000,000 disease policy limit. If work is to be performed in North Dakota, Ohio, Washington, or Wyoming, Receiving Party will participate in the appropriate state fund(s) to cover all eligible employees and provide a stop gap endorsement.
- (B) Commercial General Liability insurance on an occurrence form with a combined single limit of \$1,000,000 each occurrence, and annual aggregates of \$1,000,000 for bodily injury and property damage, including coverage for blanket contractual liability, broad form property damage, personal injury liability, independent contractors, Products/completed operations, sudden and accidental pollution liability and, if applicable, the explosion, collapse and underground exclusion will be deleted.
- (C) Automobile Liability insurance with a combined single limit of \$1,000,000 each occurrence for bodily injury and property damage to include coverage for all owned, non-owned, and hired vehicles.
- (D) Excess or Umbrella Liability insurance with a combined single limit of \$1,000,000 each occurrence, injury and property damage covering excess of Employer's Liability insurance and the insurance described in (B) and (C) above.

The Parties agree to waive and will require its insurers to waive any right of subrogation or recovery they may have against the Party, its parent, subsidiary, or affiliated companies.

8.7 Warranty Indemnification: Each Party shall indemnify and hold harmless the other Party from any loss, damage or expense arising out of its breach of the foregoing warranties.

Section 9. BILLING AND PAYMENT

9.1 Purchase/Sale: Delivering Party shall provide to Receiving Party invoices for all Product delivered pursuant to this Agreement along with any applicable transportation or other charges.

9.2 Exchanges: For Exchange Transactions, each Party shall provide to the other party, at the close of each Month, an exchange statement-invoice covering the Exchange Differentials, if any, payable during that Month. In the event of a conflict between the exchange statements-invoices, all sums attributable to the areas of agreement between the exchange statements-invoices shall be paid, and the Parties will promptly reconcile all areas of disagreement.

9.3 Payment: Automated Clearing House (ACH) within five (5) Business Days of receipt of invoice for NGL Products and within fifteen (15) Days of receipt of the invoice for Petrochemical Products. In the event that Buyer and Seller are each required to pay an amount in the same Month hereunder, then such amounts with respect to each Party shall be aggregated and the Parties shall discharge their obligations to pay through netting, in which case the Party, if any, owing the greater amount shall pay to the other Party the difference between the amounts owed.

9.4 Audit: Each Party shall have, upon reasonable notice, the right at reasonable hours to examine and to copy the records of the other Party to the extent reasonably necessary to verify the accuracy of any invoices billed or quantities delivered hereunder. In the event of any inaccuracy, any necessary adjustments in the billing shall be promptly made; provided that no adjustment for any billing and payment shall be made after the lapse of two (2) years from the rendition thereof.

9.5 Failure to Pay: Should Receiving Party or the Party owing a net payment hereunder, as applicable, fail to pay any amounts due (other than amounts disputed in good faith) within the time period set forth above, Delivering Party or the Party owed a net payment hereunder, as applicable, may avail itself of any of the following remedies and (a) offset all or any portion of the unpaid balance against moneys owed to Receiving Party or the Party owing a net payment hereunder, as applicable, under this Agreement or any other agreement between the Parties, (b) suspend deliveries of Product, and (c) after providing two (2) Business Days written notice, terminate this Agreement; provided, however, that the exercise of such rights shall be in addition to any and

all other remedies available to Delivering Party or the Party owed a net payment hereunder, as applicable, whether in law or equity, under this Agreement, or otherwise.

9.6 Late Charges: Any amounts due to a Party hereunder and not received in the time period set forth above shall bear interest at the then effective prime rate of interest published under "Money Rates" by the Wall Street Journal, plus four percent (4%) per annum, from the date due until the date of payment, not to exceed the maximum rate allowed by law.

Section 10. TAXES AND CHARGES

10.1 Purchase and Sale: Receiving Party shall be responsible for any taxes, fees or tariffs now or hereafter imposed upon Product delivered hereunder or upon the handling, transportation, storage, sale, use or inspection of same, at on or after delivery at the Delivery Point(s), and Receiving Party shall reimburse Delivering Party for any such taxes, fees or tariffs paid or levied against it. Delivering Party shall be responsible for all taxes, fees or tariffs now or hereafter imposed upon Product delivered hereunder or upon the handling, transportation, storage, sale, use or inspection of same, prior to delivery at the Delivery Point(s), and Delivering Party shall reimburse Receiving Party for any such taxes, fees or tariffs paid or levied against it. Notwithstanding the foregoing, Receiving Party shall be responsible to reimburse Delivering Party for any Propane Education & Research Council (PERC) assessments related to the Product.

10.2 Exchanges: Each Party agrees to bear the burden and responsibility of any taxes on Product (with the exception of Product excise taxes noted below), the taxable incidence of which occurs prior to the transfer of title to the Product covered by such exchange. Notwithstanding the foregoing, the Party receiving the Product shall reimburse the Party supplying the Product for all federal, state, and municipal gasoline, motor fuel, fuels, and other Product excise taxes, fees, duties, charges or other exactions which the Party supplying the Product is required to pay.

10.3 Exemptions: In the event any of the sales of Product hereunder are exempt from or not subject to any particular tax(es), then Receiving Party shall provide Delivering Party with all necessary documentation to evidence such exemption or exclusion. In the event Receiving Party does not provide such documentation within thirty (30) Days after the execution of this Agreement or any Transaction hereunder, then Receiving Party shall cooperate in defending non-taxable transactions of the Product pursuant to this Agreement in the event Delivering Party is audited by or on behalf of a taxing jurisdiction for sales, use, excise or similar taxes. Receiving Party shall indemnify, defend and hold Delivering Party harmless from any liability with respect to such tax(es) from which Receiving Party is exempt.

Section 11. INDEMNITY AND LIMITATION OF LIABILITY

11.1 General: Receiving Party shall be liable for and shall indemnify, defend and hold Delivering Party harmless from and against all loss, cost and expense, including court costs and reasonable attorney fees, for any claims, suits, judgments, demands, actions, penalties or liabilities, including injury to or death of persons, growing out of the operations conducted or performance hereunder by Receiving Party or arising while the Product is in Receiving Party's exclusive control and possession. Except as set forth in Paragraph 11.2 below, Delivering Party shall be liable for and shall indemnify, defend and hold Receiving Party harmless from and against any loss, cost, and expense, including court costs and reasonable attorney fees, for any claims, suits, judgments, demands, actions, penalties or liabilities, including injury to or death of persons, growing out of the operations conducted or performance hereunder by Delivering Party or arising while the Product is in Delivering Party's exclusive control and possession. Neither Party shall be liable in respect of any claim to the extent same resulted from the negligence, gross negligence, willful misconduct or bad faith of the indemnified Party.

11.2 Odorization: Notwithstanding anything in this Agreement to the contrary, upon receipt of Propane at the Delivery Point(s), Receiving Party's indemnification obligation under this Agreement shall include, among any other claims, those comprising or asserting lack of or inadequate warning materials, improper amounts, use or type of odorant, "odorant fading," lack of warning on supplemental warning systems (such as gas detectors) and improper training or monitoring of Receiving Party's warning or training programs respecting odorization. Seller does not warrant the level of odorization at the Delivery Point if it is downstream of the point of loading.

11.3 Limitation of Liability: EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY SHALL BE LIABLE FOR ANY PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES.

Section 12. REMEDIES

12.1 Receiving Party's Failure to Receive (Firm Physical Purchase/Sale and Exchange Transactions Only): With respect to Firm Physical Purchase/Sale and Exchange Transactions, if Receiving Party fails to accept tender of delivery of the Contract Quantity not subject to Force Majeure, or if Delivering Party suspends deliveries pursuant to Paragraphs 9.5 or 13 of this Agreement, Delivering Party shall sell to a third party purchaser, in good faith and in a commercially reasonable manner, the difference between the amount of Product actually accepted by Receiving Party and the Contract Quantity. Delivering Party shall be entitled to reimbursement from Receiving Party for the difference between: (1) the price set forth under this Agreement; and (2) any lesser price obtained from such third party purchaser(s) (or if Delivering Party cannot reasonably sell the Product that is not received by Receiving Party, a commercially reasonable price). Any payments due Delivering Party by Receiving Party under this paragraph shall be made within 15 Days of receipt of Delivering Party's invoice for such difference; provided, however, Delivering

Party first provides Receiving Party with information and documentation supporting Delivering Party's claim for reimbursement.

12.2 Delivering Party's Failure to Deliver (Firm Physical Purchase/Sale and Exchange Transactions Only): With respect to Firm Physical Purchase/Sale and Exchange Transactions, if Delivering Party fails to tender delivery of the Contract Quantity not subject to Force Majeure, Receiving Party shall purchase from a third party supplier, in good faith and in a commercially reasonable manner, the difference between the amount of Product actually delivered by Delivering Party and the Contract Quantity. Receiving Party shall be entitled to recover from Delivering Party the difference between: (1) the price set forth under this Agreement (Zero Dollars (\$0.00) if an Exchange Transaction); and (2) any greater price of replacement Product purchased by Receiving Party and delivered to the Delivery Point(s) (or if Receiving Party cannot reasonably purchase the Product that is not delivered by Delivering Party, a commercially reasonable price). Any payments due Receiving Party by Delivering Party under this paragraph shall be made within 15 Days of receipt of Receiving Party's invoice for such difference; provided, however, Receiving Party shall first provide Delivering Party with information and documentation supporting Receiving Party's claim for reimbursement.

12.3 Termination of Agreement: In the event the Agreement is terminated early pursuant to Paragraph 9.5 or Section 13 of this Agreement, the Party terminating the Agreement ("Terminating Party") shall in good faith calculate its liquidated damages for each outstanding Transaction under this Agreement. The liquidated damages shall equal the present value of the economic loss, if any, (including any costs and minus the present value of the economic gain, if any) deemed to have been suffered by Terminating Party as a result of the early termination. Such economic loss shall be determined by subtracting the value of (a) the remaining term, quantities and price under the Transactions had they not been terminated, from (b) the equivalent quantities and relevant market prices for the remaining term. If the calculation of the liquidated damages results in a net amount due to the party in default ("Defaulting Party"), the liquidated damages shall be deemed zero (0). Any payments due Terminating Party under this paragraph shall be made within 15 Days of receipt of Terminating Party's invoice for such difference; provided, however, Terminating Party first provides Defaulting Party with information and documentation supporting Terminating Party's claim for reimbursement.

12.4 Delivery of Non-Conforming Product: Receiving Party's remedies with respect to any Product furnished by Delivering Party hereunder that is found to be deficient in quality or not to conform with this Agreement shall be limited exclusively to the right to replacement thereof if Delivering Party so elects, or if Delivering Party does not elect to replace the Product, to a refund (or a reduction in invoiced amounts) reflective of the lower of (a) the reduction in market value due to such deficiency or non-conformity or (b) the reasonable cost to make the Product conforming, such amount in no event to exceed the Product Price, or the then existing market price at the Delivery Point(s) in the case of an exchange, multiplied by the quantity of the deficient or non-conforming Product.

12.5 Tank Cars: If Delivering Party furnishes tank cars for delivery to Receiving Party then Receiving Party shall discharge such tank cars immediately upon arrival and deliver such tank cars to the railway from which they were received in accordance with forms and instructions furnished by Delivering Party. If Receiving Party detains any tank car provided by Delivering Party for more than 48 hours following Constructive Placement of the tank car by the delivering carrier, then Receiving Party shall pay such tank car demurrage as may accrue and shall pay Delivering Party (i) \$75.00 or (ii) the then applicable third party lease rate for tank cars on the spot market in the vicinity of the Delivery Point(s) for the Product, whichever is greater, for each Day or portion of a Day after expiration of the 48-hour period. Tank cars shall not be diverted without Delivering Party's written consent.

12.6 Sole Remedy: THE REMEDIES SET FORTH HEREIN AND IN ANY APPLICABLE CONFIRMATION SHALL CONSTITUTE THE PARTIES' SOLE AND EXCLUSIVE REMEDIES UNDER THIS AGREEMENT.

Section 13. FINANCIAL RESPONSIBILITY AND EVENTS OF DEFAULT

Either Party shall have the right from time to time to request pertinent financial information from the other Party to ensure creditworthiness. Williams financial information may be obtained at www.investor.williams.com. When reasonable grounds for insecurity of payment or title to Product arise (whether or not then due), either Party may demand in writing adequate assurance of performance, and in the absence of such assurance from the other Party within two (2) Business Days, suspend further performance and terminate the Agreement. Adequate assurance shall mean sufficient security in the form and for the term reasonably specified by the Party demanding assurance ("Demanding Party"), including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset acceptable to Demanding Party or a performance bond or guarantee by a creditworthy entity. In addition to the foregoing, either Party shall have the right at any time to require other Party to deliver a parent company guarantee in the form and substance satisfactory to other Party. The amount of Adequate Assurance shall not exceed three cumulative Delivery Months within the most recent twelve Month period. In the event either Party shall (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); or (iv) be unable to pay its debts as they fall due; or (v) failure to perform any material covenant or obligation set forth in this Agreement; then the other Party shall have the right to either withhold or suspend deliveries or payment, net and set off all transactions outstanding between the Parties (whether under this Agreement or otherwise and whether or not then due), use all rights, counterclaims and other defenses which it is or may be entitled to at law or arising from the Agreement, including termination of the Agreement in accordance to the terms outlined in section 9.5. If a Party to this Agreement becomes subject to Bankruptcy Code proceedings, it is understood and agreed that the other Party shall be entitled to exercise its contractual right to liquidate as a forward contract merchant under Section 556 of the U.S. Bankruptcy Code. Each Party grants the other Party a continuing first priority security interest in, lien on and right to set off against all Adequate Assurance in the form of cash transferred by transferred between Parties.

Section 14. FORCE MAJEURE

“Force Majeure” shall mean any event or occurrence beyond the reasonable control of a Party that prevents in whole or in part the performance by such Party of any obligation or condition under this Agreement, including, but not limited to acts of God, strikes, lockouts or other industrial disturbances (including those affecting persons transporting Product for either Party), acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, explosions or other casualty, hurricanes, hurricane warnings, storms, floods, washouts, arrests and restraints of government (federal, state, local, civil or military) and of people, civil disturbances, failure or delays in normal source of supply for the Product, or delays in delivery of any inventory or material, including, without limitation, crude oil, natural gas, NGL Products, supplies, raw materials and ingredients necessary in the production of the Product, or failures or disruptions in the ability to store or transport such raw materials, Product or any component thereof.

Neither Party shall be entitled to the benefit of Force Majeure under any or all of the following circumstances: To the extent that the failure was caused by the Party claiming suspension having failed to remedy the condition, and to resume the performance of such covenants or obligations with reasonable dispatch; the ability of either Party to obtain a better price for Product; the loss of markets; the loss, interruption, or curtailment of interruptible transportation if firm transportation was available for purchase on any Transporter necessary to effect receipt or delivery of Product hereunder, unless caused by a Force Majeure event; or economic hardship.

Except with regard to a Party's obligation to make payments as they become due hereunder, if either Party is rendered unable, wholly or in part, by Force Majeure to perform or comply with any obligation or condition of this Agreement, such obligation or condition shall be suspended during the period and to the extent of the inability so caused and such Party shall be forever excused from its performance obligations during such period and to such extent, relieved of liability and shall suffer no prejudice for failure to perform the same during such period and to such extent; provided, however, the Party claiming the occurrence of an event of Force Majeure shall promptly advise the other Party in writing of that Force Majeure event, and the cause of suspension (other than strikes or lockouts) shall be remedied so far as possible with reasonable dispatch. The settlement of strikes or lockouts shall be entirely within the discretion of the Party experiencing such. Should Delivering Party's supply of Product for sale under this Agreement be dependent in whole or in part upon production from a plant that is damaged or destroyed, Delivering Party shall not be obligated to repair or rebuild such plant in order to fulfill this Agreement.

Section 15. REGULATORY AUTHORITY

This Agreement and each provision hereof shall be subject to all valid applicable federal and state laws and to the orders, rules and regulations of any duly constituted federal or state regulatory body or authority having jurisdiction.

Section 16. EQUAL OPPORTUNITY

The Parties agree that they are equal opportunity employers, and that they are in compliance with the requirements of Executive Order 11246; Section 503 of the Vocational Rehabilitation Act of 1973 (as amended) (29 U.S.C. Section 793) and its implementing OFCCP regulations (41 C.F.R. Part 60-741); the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (as amended) (38 U.S.C. Sections 4211 and 4212) and its implementing OFCCP regulations (41 C.F.R. Parts 60-250 and 300); and Title VII of the Civil Rights Act of 1964 (as amended) (42 U.S.C. Sections 2000e et seq.) and its implementing regulations (29 C.F.R. Part 1608).

Section 17. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto, provided that this Agreement shall not be transferred or assigned, by operation of law or otherwise, by either Party without the other Party's prior written consent, which consent shall not be unreasonably withheld. Either Party, however, may assign its rights and obligations hereunder to any parent or affiliate which succeeds by assignment, purchase, merger, consolidation or otherwise to all or substantially all of the assets of the assigning Party upon written notice to the other Party. Nothing in this clause in any way prevents either Party from pledging or mortgaging all or any part of such Party's property as security.

Section 18. NOTICES

All notices required hereunder shall be in writing or in the form of an Electronic Record and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered. Such notice shall be deemed to have been given on the date of the delivery thereof to Williams. Williams may change its address upon notice to the Company.

Addresses for notices, communications, and statements to:

WILLIAMS:

Mailing Address:
P.O. Box 2400
Tulsa, OK 74102
Attn.: Contract Management

Street Address:
One Williams Center, WRC-3
Tulsa, OK 74172
Attn.: Contract Management

Contract Management Fax: (918) 732-0269
Confirmation Fax: (918) 732-0248
Confirmation Email: Confirmations@Williams.com
Email: CommodityContracts@Williams.com

Invoices:

Same as Mailing
Phone: (918) 573-3013
Fax: (918) 573-9222
Attn.: Williams Olefins Accounting

Payments:

JPMorgan Chase
Account c/o Williams Olefins, L.L.C.
Acct Number: 9401175
ABA Number: 071-000-013
Re: Invoice Number

Section 19. MISCELLANEOUS

19.1. Confidentiality of Terms: The terms of this Agreement and the results of any audit conducted hereunder shall not be disclosed to any non-Party except to the extent that the disclosure is (i) required by law; (ii) requested by either Party's independent public accountants; (iii) required pursuant to a loan agreement; (iv) required to be disclosed in connection with the prosecution or defense of any litigation; or (v) is otherwise agreed in writing to be disclosed.

19.2 Brand Names: Unless otherwise specifically agreed to by the Parties in writing, Receiving Party shall not represent, or authorize or permit any other person to represent, that Product delivered hereunder is the Product of Delivering Party.

19.3 Conduct of Parties' Business: Each Party in the performance of this Agreement is engaged in an independent business and nothing herein contained shall be construed as giving either Party any right to control the other Party in any way in the performance of the other Party's business. Neither Party shall have any right to exercise control over any of the other Party's employees, representatives, agents or contractors of any level except to the extent of any safety requirements for delivery of Product under this Agreement. All employees, representatives, agents or contractors of any level of a Party shall be entirely under the control and direction of that Party, which shall be solely responsible for their actions and omissions.

19.4 No Third Party Beneficiary: Nothing in this Agreement shall entitle any person other than Williams or Company, or their permitted successors or assigns, to any claim, cause of action, remedy or right of any kind relating to the Transaction(s).

19.5 Waivers: No waiver by either Party of its rights or of any default by the other Party under this Agreement shall operate or be construed as a continuing waiver of such rights or as a waiver of any future default, whether of a like or different character. Any change, modification, amendment, or alteration of this Agreement shall be in writing and signed by the Parties hereto and no course of dealing between the Parties prior or subsequent to the date of this Agreement shall be construed to change, modify, amend, alter or waive the terms hereof.

19.6 Severability: The invalidity of any one or more covenants or provisions of this Agreement shall not affect the validity of any other provisions hereof, and in case of any such invalidity, this Agreement shall be construed to the maximum extent possible as if such invalid provision(s) had not been included herein.

19.7 Integration: This Agreement, and any binding Confirmation(s) hereunder constitutes the entire Agreement of the Parties respecting the matters addressed herein and supersedes all prior negotiations, proposals, inquiries, commitments and agreements, whether written or oral.

19.8 Construction: The Parties acknowledge and agree that the terms and conditions of this Agreement were freely negotiated and drafted jointly by the Parties, and the Parties further expressly agree that in the event of any ambiguity in any of the terms and conditions of this Agreement, including any Confirmation hereunder, such ambiguity shall not be construed for or against either Party on the basis that such Party did or did not author the same.

19.9 Headings: The headings of the Articles, Sections and Paragraphs of this Agreement are for convenience of reference only and shall not constitute part, nor modify, define or limit any of the terms or provisions, hereof.

19.10 Counterparts: This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which together shall constitute one Agreement binding on the Parties hereto.

19.11 Choice of Law; Waiver of Jury Trial: THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS (WITHOUT REGARD TO CHOICE OF LAW PROVISIONS) AND VENUE SHALL BE IN THE STATE OF TEXAS, COUNTY OF HARRIS.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HEREBY IRREVOCABLY WAIVES ITS RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY DISPUTE ARISING UNDER, IN CONNECTION WITH, OR RELATED TO THIS AGREEMENT.

