

LARGE FILING SEPARATOR SHEET

CASE NUMBER: 15-120-EL-AGG

FILE DATE: 1/22/15

SECTION: 5

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DESCRIPTION OF DOCUMENT:

APPLICATION CONTINUED

ACKNOWLEDGMENT AND CONSENT

The undersigned, the [New] [Additional] Issuer referred to in the foregoing Supplement to Canadian Pledge Agreement, hereby acknowledges receipt of a copy thereof and of the Pledge Agreement referred to therein and agrees to be bound thereby and to comply with the terms thereof insofar as such terms are applicable to it. The undersigned agrees to notify the Administrative Agent promptly in writing of the occurrence of any of the events described in Section 5(a) of the Pledge Agreement. The undersigned further agrees that the terms of Section 9(c) of the Pledge Agreement shall apply to it, *mutatis mutandis*, with respect to all actions that may be required of it under or pursuant to or arising out of Section 9 of the Pledge Agreement.

[NAME OF NEW/ADDITIONAL ISSUER]

By: _____

Name:

Title:

FORM OF DUTCH MEMBERSHIP PLEDGE AGREEMENT

THIS DEED is dated 9 December 2014 and made between:

1. **THE ENTITIES** listed in Schedule 1 as pledgors (the “**Pledgors**” and each a “**Pledgor**”);
2. **JPMORGAN CHASE BANK, N.A.**, in its capacity as administrative agent of the other Secured Parties, as pledgee (the “**Pledgee**”); and
3. **SPRAGUE RESOURCES COÖPERATIEF U.A.**, a cooperative with excluded liability (*coöperatie met uitgesloten aansprakelijkheid*) having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Dutch trade register under number 61938459 (the “**Cooperative**”).

WHEREAS

The Pledgors and the Cooperative have or will have monetary payment obligations to the Secured Parties, under or in connection with the Loan Documents.

The Pledgee acts as Administrative Agent (as defined in the Credit Agreement, defined hereafter) for the benefit of the Lender Parties (as defined in the Credit Agreement, defined hereafter) and, for the purpose of the creation of the rights of pledge in favour of the Pledgee in its capacity as Administrative Agent, the Pledgors and the Cooperative will have monetary payment obligations to the Pledgee under or in connection with its Parallel Debt.

The Parties have agreed that each Pledgor will, by way of third party security as applicable, create the rights of pledge in favour of the Pledgee as security for the monetary payment obligations of each Pledgor and the Cooperative to the Pledgee under or in connection with its respective Parallel Debt.

IT IS AGREED as follows:

DEFINITIONS AND INTERPRETATION

Definitions

Capitalised terms used in this deed have the following meanings:

“ Clause ”	a clause in this deed.
“ Collateral ”	with respect to a Pledgor, its Membership, and all present and future rights related thereto, including but not limited to rights in respect of profits, distributions from the Cooperative’s reserves or member accounts, liquidation or other forms of distributions and all its present and future rights pursuant to or in connection with any Member Agreement entered into by that Pledgor.

"Credit Agreement"	the amended and restated credit agreement dated 9 December 2014 (as amended, restated, supplemented or otherwise modified from time to time), among Sprague Operating Resources LLC, Sprague Resources ULC and Kildair Service Ltd., as borrowers, the several banks and other financial institutions or entities from time to time parties thereto, the Administrative Agent and certain other agents a party thereto.
"Enforcement Event"	a default within the meaning of section 3:248 NCC with respect to the payment of any of the Secured Obligations by a Pledgor or the Cooperative.
"Event of Default"	an Event of Default as defined in the Credit Agreement.
"Guarantee Agreement"	the Guarantee as defined in the Credit Agreement
"Lender Party"	a Lender Party as defined in the Credit Agreement.
"Loan Document"	a Loan Document as defined in the Credit Agreement.
"Member Agreement"	with respect to a Pledgor, any agreement entered into by it in the course of the business carried out or caused to be carried out by the Cooperative within the meaning of article 2:53(1) NCC.
"Membership"	with respect to a Pledgor, its membership in the Cooperative.
"NCC"	the Netherlands Civil Code.
"Parallel Debt"	the Parallel Debt as defined in clause 28 (<i>Parallel debt</i>) of the Guarantee Agreement.
"Party"	a party to this deed.

“Schedule”	a schedule to this deed.
“Secured Obligations”	all obligations consisting of monetary payment obligations (<i>vorderingen tot betaling van een geldsom</i>) (whether present or future, actual or contingent) by the Pledgors and the Cooperative to the Pledgee under or in connection with (i) clause 28 (<i>Parallel debt</i>) of the Guarantee Agreement and (ii) this deed (other than in connection with its obligations referred to under (i)) but only to the extent such payment obligations are due to the Pledgee itself and not any of its assignees.
“US Security Agreement”	the U.S. Security Agreement as defined in the Credit Agreement.
“Voting Rights”	with respect to the Membership of a Pledgor, the voting rights attached to that Membership.

Construction

- (a) This deed is entered into between the Pledgee on the one hand and each of the Pledgors on the other hand for efficiency purposes and shall be construed so as to constitute a separate pledge agreement between each Pledgor on the one hand and the Pledgee on the other hand. Once this deed is signed by the Pledgee, it will become effective between the Pledgee on the one hand and each Pledgor who signs this deed on the other hand irrespective whether all Pledgors have at such time signed this deed.
- (b) A reference to any **“Collateral”** is a reference to that Collateral in whole or in part and includes all rights attached to such Collateral, including dependent rights and ancillary rights.
- (c) A reference to the **“Pledgee”** is also a reference to any successor or assignee of the Pledgee and a reference to the **“Pledgor”** is also a reference to any successor or assignee of the Pledgor.
- (d) A reference to a **“right of pledge”** is, unless the context requires otherwise, a reference to a right of pledge purported to be created under this deed by each Pledgor over each individual asset falling within the scope of the definition of Collateral of that Pledgor.
- (e) A reference to (*a right in respect of*) any Collateral of a Pledgor is a reference to the share (*aandeel*) only of that Pledgor if that Collateral is owned jointly by that Pledgor and one or more other parties.
- (f) A reference to a **“default”** with respect to the payment of the Secured Obligations is a reference to any non-payment of the Secured Obligations when due, without any reminder letter or notice of default being required.

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- (g) An Event of Default is "**continuing**" if it has not been cured or waived by the Lender Party authorised to do so.
 - (h) Words denoting the singular shall include the plural and vice versa.
 - (i) English language words used in this deed intend to describe Netherlands legal concepts only and the consequences of the use of those words in English law or any other foreign law are to be disregarded.

AGREEMENT AND CREATION OF PLEDGE

Agreement to pledge Collateral

As security for the payment when due of the Secured Obligations, each Pledgor agrees with the Pledgee to grant to the Pledgee, as applicable by way of third party security, a right of pledge over its Collateral.

Creation of pledge over Collateral

As security for the payment when due of the Secured Obligations, each Pledgor, as the case may be in advance, hereby grants to the Pledgee, as applicable by way of third party security, a right of pledge over its Collateral. The Pledgee, as the case may be in advance, hereby accepts this right of pledge.

Security intent

- (a) Each Pledgor confirms and agrees that any right of pledge so created is intended to extend from time to time to any (however fundamental) of the following or any combination thereof:
 - (i) variation, amendment, modification, novation, restatement, increase, extension or addition of or to any of the Loan Documents or to any agreement or document (under whatever name) including without limitation by way of increase, reduction, alteration of the purpose or other amendment of the facilities made available under it, addition of new facilities, any rescheduling of indebtedness incurred thereunder;
 - (ii) accession or retirement of the parties to any of the Loan Documents;
 - (iii) extension of any commitment (or its maturity or availability) or any redenomination of a commitment into another currency under any Loan Document;

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- (iv) any deferral or redenomination of any amount owing under any Loan Document;
 - (v) any facility, tranche or amount made available under any of the Loan Documents in any currency or currencies after the date of this deed for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility, tranche or amount might be made available from time to time (an **"Incremental Facility"**); and/or
 - (vi) any increase in any margin, fee or commission or any other amount owing or accruing under any Loan Document or any fees, costs and/or expenses associated with any of the foregoing.
- (b) Each Pledgor confirms and agrees that any right of pledge so created is intended not to be affected by any amendment, novation, supplement, extension or restatement of any Loan Document or any combination of the foregoing (and including by way of an Incremental Facility); and
 - (c) Each Pledgor confirms and agrees that if the Pledgee would transfer the Parallel Debt to a successor administrative agent (the **"New Administrative Agent"**) in accordance with the terms of the Loan Documents, it is intended that:
 - (i) claims of the New Administrative Agent arising after the date of such transfer and falling within the definition of Secured Obligations shall be secured by the right of pledge;
 - (ii) Collateral acquired by such Pledgor after the date of such transfer shall be subject to the right of pledge (and the Cooperative agrees and confirms that any right of pledge created by such Pledgor in advance must be deemed to have been created also for the benefit of such New Administrative Agent); and
 - (iii) any power of attorney or waiver granted to the Pledgee under this deed must be deemed to have been created also for the benefit of such New Administrative Agent and can be enforced against the Cooperative by the New Administrative Agent.

REPRESENTATIONS AND WARRANTIES

Representations and warranties

Each Pledgor represents and warrants to the Pledgee that:

it has full title to its Collateral to the extent acquired prior to the moment of this representation and it has full power to dispose of and encumber that Collateral;

its Collateral is not subject to any limited right or other encumbrance and no offer has been made or agreement entered into to transfer or encumber, whether or not in advance, its Collateral and no attachment has been levied on its Collateral;

there are no outstanding options or other rights entitling the holder thereof to the transfer of (part of) its Collateral or any of the present and future rights relating thereto;

no rights to receive future profits or other forms of distributions with respect to its Membership, have been granted to any party other than to the Pledgee pursuant to this deed;

it has not given or received notice of cancellation (*opzegging*) of the Membership nor has it received notice of expulsion (*ontzetting*) from the Cooperative;

no depositary receipts have been issued for its Membership;

there are no outstanding or pending admissions of new members of the Cooperative;

no resolution to dissolve the Cooperative has been adopted nor has the Chamber of Commerce notified the Cooperative of its intention to dissolve the Cooperative within the meaning of section 2:19a NCC;

no resolution has been adopted by the general meeting to amend the articles of association of the Cooperative, to the extent such amendment adversely affects the interest of the Pledgee under this deed or the other Loan Documents;

the execution and performance of this deed does not violate any agreement or other legal relationship to which it is a party or any laws or regulation by which it is bound;

no litigation, arbitration or administrative proceeding is taking place or pending or, to the best of its knowledge, threatened against it, which could or is reasonably likely to have a material adverse effect on its position under this deed or on the economic value of the Collateral; and

no corporate action nor any other steps have been taken or legal proceedings have been instituted or threatened against it for the entering into a (provisional)

suspension of payments or for bankruptcy or for the appointment of a receiver or similar officer of it or of any or all of its assets or for its dissolution, or for an order that it be declared en désastre or for a preliminary vesting order over any of its assets.

Times when representations made

The representations and warranties in Clause 0 (*Representations and warranties*) are deemed to be repeated by each Pledgor on the date hereof and on each date specified in the Credit Agreement. Each representation and warranty deemed to be made after the date of this deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation and warranty is deemed to be made.

UNDERTAKINGS

Information

At the Pledgee's first reasonable request and in such form as the Pledgee may designate, a Pledgor must provide all information, evidence and documents relating to its Collateral which the Pledgee may deem reasonably necessary to exercise its rights under this deed.

Restrictions on voting

No Pledgor shall without the prior written consent of the Pledgee vote its Membership (whether in a meeting or by way of written resolution outside a meeting) in favour of:

- (a) in as far as the general meeting of the Cooperative is the corporate body authorised to resolve on these matters, the transfer of any membership in the Cooperative, the cancellation of or expulsion from a membership of the Cooperative or any reduction of any reserve or member account of the Cooperative, unless permitted under the Credit Agreement;
- (b) a resolution to amend the articles of association of the Cooperative, to the extent such amendment could reasonably expected to be adverse to the interests of the Pledgee under this deed or the other Loan Documents;
- (c) a resolution to dissolve the Cooperative or relating to the liquidation of the Cooperative's business or disposal of all or a material part of the Cooperative's assets;
- (d) a resolution which would adversely affect the validity and enforceability of the rights of pledge; or
- (e) a resolution for any merger (fusie) or demerger (splitsing) in which the Cooperative is involved.

Inspection of books and records

The Pledgee shall at all times subject to Section 7.6 of the Credit Agreement be granted access to the premises of a Pledgor to inspect that Pledgor's books and records relating to its Collateral.

Duty to notify

Each Pledgor and the Cooperative shall notify the Pledgee immediately of all circumstances of which it becomes aware which could reasonably be expected to affect the interests of the Pledgee under this deed, including but not limited to:

an application being filed for any Pledgor's or the Cooperative's bankruptcy or (provisional) suspension of payments;

that Pledgor or the Cooperative being declared bankrupt, being granted (provisional) suspension of payments, being unable to pay its debts in respect of taxes or social security premiums or planning to notify the relevant authorities thereof;

an attachment being levied on any Collateral and/or any claim or notice from any third party with respect to any Collateral; and

an event analogous to any of the above occurring under the laws of any other jurisdiction.

Disposal and negative pledge

Unless permitted under the Credit Agreement, no Pledgor shall without the prior written consent of the Pledgee:

sell, transfer or otherwise dispose of its Collateral in whole or in part and whether or not in advance;

terminate its Membership or take any other action which would result in the Cooperative having less than two members;

create or permit to subsist whether or not in advance any limited right or other encumbrance on its Collateral other than as envisaged under this deed or permit to subsist any attachment over its Collateral; or

other than in the ordinary course of business and on arm's length terms vary the term or extend, release, determine, rescind or grant time for payment in respect of its Collateral if that variation, extension, release, determination, rescission or granting of time for payment in respect of its Collateral would have a material adverse effect on the rights of pledge.

Further assurances

At the Pledgee's first request, a Pledgor shall at its own expense execute any further encumbrances and assurances in favour of, or for the benefit of, the Pledgee and perform all acts as the Pledgee may reasonably deem necessary to create, perfect or protect the rights of pledge purported to be created by that Pledgor or to exercise or have the full benefit of its rights under or in connection with this deed (including the right to enforce these rights).

VOTING RIGHTS

Voting Rights vest in the Pledgee

The Voting Rights shall be vested in (*toekomen aan*) the Pledgee, subject to the cumulative conditions precedent that (i) an Event of Default shall have occurred which is continuing and (ii) the Cooperative and each Pledgor have been notified in writing by the Pledgee that it wishes to exercise the Voting Rights. The Cooperative confirms (and each Pledgor agrees) that a written notice from the Pledgee to the Cooperative and each Pledgor in accordance with the provisions of this deed, stating that an Event of Default has occurred which is continuing and that the Pledgee wishes to exercise the Voting Rights shall be sufficient for it to accept the Pledgee as being exclusively entitled to exercise the Voting Rights.

Power of Attorney

To the extent that Netherlands law does not allow for the Voting Rights to vest in the Pledgee as referred to in Clause 0 (*Voting Rights vest in the Pledgee*) and without prejudice to Clause 0 (*Power of Attorney*), each Pledgor grants to the Pledgee, subject to the cumulative conditions precedent referred to in Clause 0 (*Voting Rights vest in the Pledgee*), an irrevocable power of attorney with the power of sub-delegation to attend general meetings of the Cooperative on behalf of that Pledgor and to exercise the Voting Rights on behalf of that Pledgor (whether in or outside a meeting).

PROFITS, DISTRIBUTIONS AND OTHER PAYMENTS

Collection by Pledgee

The Pledgee is authorised to collect all profits and other forms of distributions and other payments on the Collateral.

Collection by Pledgor

The Pledgee hereby authorises each Pledgor to collect, subject to the restrictions on profits and other forms of distributions and other payments in respect of the Collateral under the terms of the Credit Agreement, all profits and other forms of distributions and other payments on the Collateral of that Pledgor and during such period while the Pledgor is so authorised, the Pledgee agrees not to exercise such rights. The Pledgee may revoke this authorisation of any Pledgor upon the occurrence of an Event of Default which is continuing and notice to each Pledgor. Upon such revocation the relevant Pledgor cannot derive any further rights from section 3:246(4) NCC and the Pledgee may inform the Cooperative of that revocation and that further payments must be made into a bank account designated by the Pledgee.

IMMEDIATE FORECLOSURE

- (a) Upon the occurrence of an Enforcement Event the Pledgee may, without any further notice of default or other notice being required, sell the Collateral of that Pledgor (in any order as the Pledgee in its sole discretion may deem appropriate) in accordance with applicable law.
- (b) No Pledgor shall be entitled to file a request with an interim provisions judge to request that its Collateral be sold in a deviating manner as provided for in section 3:251 NCC.
- (c) The Pledgee shall not be obliged to give notice of an intended sale as provided for in section 3:249 NCC, and the Pledgee shall not be obliged to give the notice following the sale as provided for in section 3:252 NCC.
- (d) Each Pledgor hereby irrevocably and unconditionally waives any right it may have under sections 3:233, 3:234, 6:139 and 6:154 NCC which waiver is hereby accepted by the Pledgee.
- (e) The Pledgee is not obliged to first foreclose on any other security right created under or in connection with the Loan Documents.

APPLICATION OF PROCEEDS

The Pledgee will apply the proceeds from the sale of any Collateral towards satisfaction of the relevant Secured Obligations in accordance with the provisions of Section 8(b) of the U.S. Security Agreement, subject to mandatory provisions of Netherlands law.

CANCELLATION

The Pledgee is entitled to cancel any right of pledge under this deed in whole or in part by notice in writing to the relevant Pledgor within the meaning of section 3:81(2)(d) NCC.

LIABILITY

The Pledgee is not liable to any Pledgor for any loss or damage arising from any exercise of, or failure to exercise, its rights under this deed, except for gross negligence or wilful misconduct of the Pledgee.

COSTS

The Pledgee may charge:

- (i) all reasonable and documented costs, losses, claims and expenses of whatever nature (including legal fees) incurred by the Pledgee relating to or arising out of this deed (including the entering into and registration of this deed and/or any amendment of this deed), in connection with Clause 0 (*Further assurances*); and/or
- (ii) in the event of an enforcement of the rights of pledge in connection with this deed, charge all costs, losses, claims and expenses of whatever nature (including legal fees) incurred by the Pledgee.

POWER OF ATTORNEY

Each Pledgor grants to the Pledgee an irrevocable power of attorney with the power of substitution to perform all acts, including acts of disposition (*beschikkingshandelingen*) on behalf of that Pledgor which in the sole opinion of the Pledgee are necessary in order to (i) create or perfect the rights of pledge purported to be created under this deed by that Pledgor and/or (ii) to have the full benefit of those rights (including performing any of that Pledgor's obligations under this deed and exercising any of that Pledgor's rights to and in connection with the Collateral). The Pledgee may act as counterparty of a Pledgor even in the event of a conflict of interest. Each Pledgor hereby waives its rights under section 3:68 NCC which waiver is hereby accepted by the Pledgee. The Pledgee shall only use this power of attorney if the relevant Pledgor fails to comply with any of its obligations under or in connection with this deed or an Event of Default has occurred which is continuing.

PLEDGOR'S RIGHTS

Creation of pledge over rights to recourse

As security for the payment when due of the Secured Obligations, each Pledgor agrees to create and hereby creates by way of third party security in advance in favour of the Pledgee a right of pledge over each right that Pledgor may have to recourse against the Cooperative. The Cooperative confirms receipt of notice of the rights of pledge created pursuant to this Clause 0. The Pledgee may, on behalf of a Pledgor, waive or cancel by notice in writing the rights pledged pursuant to this Clause 0.

Subordination of rights to recourse and rights of subrogation

If and to the extent that the rights of pledge purported to be created pursuant to Clause 0 (*Creation of pledge over rights to recourse*) have not been created or if these rights of pledge have been waived or cancelled, the rights a Pledgor may have to recourse against the Cooperative and all rights of security and other ancillary rights attached to the rights of the Pledgee or any other Lender Party to which a Pledgor may be subrogated shall be subordinated to the Secured Obligations.

Waiver of rights to recourse

If and to the extent that the rights of pledge purported to be created and retained pursuant to Clause 0 (*Creation of pledge over rights to recourse*) have not been created, each Pledgor hereby waives, under the condition precedent that the Cooperative is sold to a third party, the rights it may have to recourse against the Cooperative.

Waiver of rights of subrogation

Each Pledgor hereby unconditionally and irrevocably waives all rights of security and other ancillary rights attached to the rights of the Pledgee or any other Lender Party to which that Pledgor may be subrogated.

SUBORDINATION PROVISIONS

Section 10 of the U.S. Security Agreement is hereby incorporated herein by reference, mutatis mutandis.

MISCELLANEOUS**No rescission, nullification or suspension**

To the extent permitted by law, each Pledgor hereby waives any right it may have at any time:

- (a) under sections 6:228 or 6:265 NCC or any other ground (under any applicable law) to rescind or nullify, or demand in legal proceedings the rescission or nullification of this deed; and
- (b) under sections 6:52, 6:262 or 6:263 NCC or any other ground (under any applicable law) to suspend any obligation under or in connection with this deed.

Transfer of rights and obligations

- (a) No Pledgor may transfer any of its rights or obligations or its contractual relationship under or in connection with this deed without the prior written consent of the Pledgee.
- (b) To the extent permitted under the Loan Documents, the Pledgee may transfer its rights and obligations under or in connection with this deed by an assignment, assumption of debt or transfer of contractual relationship. Each Pledgor and the Cooperative in advance irrevocably consent to and provide their co-operation with any such assumption of debt and/or transfer of contractual relationship, as the case may be.
- (c) Upon a transfer by the Pledgee of any rights in respect of the Secured Obligations the transferee will become entitled to the rights of relevant pledge or to a corresponding undivided part thereof, as the case may be.
- (d) To the extent permitted under the Loan Documents, the Pledgee is entitled to provide any transferee or proposed transferee with any information concerning any Pledgor and/or the Collateral.

Notices

Any notice or other communication given under or in connection with this deed must be made in accordance with the Credit Agreement.

Records and calculations of the Pledgee

The books and records maintained by the Pledgee and any calculation or determination by the Pledgee of the existence and the amount of the Secured Obligations, are *prima facie* evidence (*dwingend bewijs*) of the existence and the amounts of the Secured Obligations and other matters to which they relate.

Partial invalidity

If, at any time, any provision of this deed is or becomes illegal, invalid or unenforceable with respect to a Pledgor in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions with respect to that Pledgor and with respect to any other Pledgor nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

Amendments

This deed may only be amended by a written agreement executed by all of the parties hereto.

No implied waiver and no forfeiture

Any waiver under this deed must be given by written notice to that effect.

Where the Pledgee does not exercise any right under or in connection with this deed (which includes the granting by the Pledgee to a Pledgor of an extension of time in which to perform its obligations under any of these provisions), this is not deemed to constitute a waiver of that right and does not lead to forfeiture of that right of the Pledgee under this deed.

The rights of the Pledgee under this deed are not deemed to constitute a waiver of any other right the Pledgee may have under Netherlands law or any other applicable law. In case of a conflict of the rights of the Pledgee under this deed and the rights of the Pledgee under Netherlands law or any other applicable law, the provisions of this deed will apply.

Confirmation of Awareness of Scope of Secured Obligations

Each Pledgor confirms that it has taken note of the content of the Credit Agreement and the other Loan Documents and that it is aware of the scope of the Secured Obligations and the provisions relating to the payment thereof by the Cooperative.

GOVERNING LAW AND JURISDICTION

(a) This deed and any non-contractual obligations arising out of or in connection with it are governed by the laws of the Netherlands.

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- (b) If a Party incorporated under the laws of the Netherlands is represented by an attorney in connection with the signing and/or execution of this deed or any other deed, agreement or document referred to in this deed or made pursuant to this deed, it is hereby expressly acknowledged and accepted by each other Party that the existence and extent of the attorney's authority and the effects of the attorney's exercise or purported exercise of his authority shall be governed by the laws of the Netherlands.
 - (c) The courts of Amsterdam, the Netherlands have exclusive jurisdiction to settle any dispute arising from or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed) (a "Dispute"). This paragraph (c) is for the benefit of the Pledgee only. As a result, the Pledgee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Pledgee may take concurrent proceedings in any number of jurisdictions.

ACKNOWLEDGEMENT AND COMPANY STATEMENTS

The Cooperative:

- (a) hereby confirms that it has received notice of the rights of pledge from the Pledgors to the extent these rights are created on a Membership and hereby acknowledges, consents to and cooperates with the creation of the rights of pledge;
- (b) if the Cooperative voluntarily keeps or is obligated to keep a members' register, will cause the rights of pledge to be duly entered in the members' register without delay and provide the Pledgee, as soon as practically possible, with a copy of the relevant entries in its members' register;
- (c) acknowledges that it has received notice of the rights of pledge to the extent these rights are created on present or future claims against the Cooperative in accordance with articles 3:236(2) NCC and 3:94 NCC;
- (d) undertakes not to terminate a Membership or take any other action which would result in the Cooperative having less than two members;
- (e) undertakes not to co-operate with the admission of new members of the Cooperative or the transfer of the membership of any existing member;
- (f) confirms that there are no outstanding or pending admissions of new members of the Cooperative;
- (g) co-operates in advance to any transfer of the legal relationship under and consents in advance to any transfer of a debt vis-à-vis the Cooperative arising from a Member Agreement in connection with a sale of Collateral as referred to in Clause 0 (*Immediate Foreclosure*);

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- (h) undertakes to obtain the co-operation and consent referred to in paragraph (g) of this Clause, in advance, from any other party to a Member Agreement which the Cooperative causes to carry out its business; and
 - (i) shall act in accordance with the provisions of this deed.

APPROVAL OF RIGHT OF PLEDGE

The general meeting of the Cooperative, pursuant to article 5.7 of the articles of association of the Cooperative, by written members' resolution dated 9 December 2014, has resolved to approve the creation of the rights of pledge by means of this deed.

This deed has been entered into on the date stated at the beginning of this deed and may be signed in any number of counterparts and by way of exchange of pdf or facsimile copies of signed signature pages, all of which taken together shall constitute one and the same deed.

[signature page follows]

SIGNATURES

THE PLEDGORS

SPRAGUE OPERATING RESOURCES LLC

By:
Title:

By:
Title:

SPRAGUE CO-OP MEMBER LLC

By:
Title:

By:
Title:

THE PLEDGEE

JPMORGAN CHASE BANK, N.A.

By:
Title:

By:
Title:

THE COOPERATIVE

SPRAGUE RESOURCES COÖPERATIEF U.A.

By:
Title:

By:
Title:

THE PLEDGORS

Name of Pledgor

FORM OF SECTION 4.11 CERTIFICATE

(For Non-U.S. Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Sprague Operating Resources LLC, Kildair Service Ltd. and Sprague Resources ULC, as Borrowers, the Lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto. All capitalized terms used but not defined herein have the meanings ascribed to them in the Credit Agreement.

Pursuant to the provisions of Section 4.11(e) of the Credit Agreement, the undersigned hereby certifies that: (i) it is the sole record and beneficial owner of the Loan(s) (as well as any promissory note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "10-percent shareholder" of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and each Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable). By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform each Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished each Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF NON-EXEMPT [LENDER][AGENT]]

By: _____

Name:

Title:

Date: _____, 201

FORM OF SECTION 4.11 CERTIFICATE

(For Non-U.S. Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Sprague Operating Resources LLC, Kildair Service Ltd. and Sprague Resources ULC, as Borrowers, the Lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto. All capitalized terms used but not defined herein have the meanings ascribed to them in the Credit Agreement.

Pursuant to the provisions of Section 4.11(e) of the Credit Agreement, the undersigned hereby certifies that: (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "10-percent shareholder" of any Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a "controlled foreign corporation" related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable). By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____, 201

FORM OF SECTION 4.11 CERTIFICATE

(For Non-U.S. Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Sprague Operating Resources LLC, Kildair Service Ltd. and Sprague Resources ULC, as Borrowers, the Lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto. All capitalized terms used but not defined herein have the meanings ascribed to them in the Credit Agreement.

Pursuant to the provisions of Section 4.11(e) of the Credit Agreement, the undersigned hereby certifies that: (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "10-percent shareholder" of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____, 201

FORM OF SECTION 4.11 CERTIFICATE

(For Non-U.S. Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Sprague Operating Resources LLC, Kildair Service Ltd. and Sprague Resources ULC, as Borrowers, the Lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto. All capitalized terms used but not defined herein have the meanings ascribed to them in the Credit Agreement.

Pursuant to the provisions of Section 4.11(e) of the Credit Agreement, the undersigned hereby certifies that: (i) it is the sole record owner of the Loan(s) (as well as any promissory note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any promissory note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "10-percent shareholder" of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and each Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform each Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished each Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF NON-EXEMPT [LENDER]][AGENT]]

By: _____

Name:

Title:

Date: _____, 201

FORM OF SECRETARY'S CERTIFICATE

December 9, 2014

The undersigned, the Secretary of [INSERT LOAN PARTY] (the "Company"), does hereby certify in such capacity, and not individually, as follows pursuant to the Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Sprague Operating Resources LLC, Kildair Service Ltd. and Sprague Resources ULC, as Borrowers, the Lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto, that as of the date hereof:

(1) Certificate/Articles of Incorporation/Formation/Organization. Attached hereto as "Exhibit A" is a true, correct and complete copy of the [Certificate/Articles of Incorporation/Formation/Organization] of the Company, together with any and all amendments thereto, as on file with the [Secretary of State of the State of [JURISDICTION]/appropriate governmental authority in the Company's jurisdiction of formation, incorporation or organization], and no action has been taken to amend, modify or repeal such [Certificate/Articles of Incorporation/Formation/Organization], the same being in full force and effect in the attached form as of the date hereof.

(2) Bylaws/Governing Agreements. Attached hereto as "Exhibit B" is a true, correct and complete copy of the [By-laws/Limited Liability Company Agreement] of the Company, together with any and all amendments thereto, and no action has been taken to amend, modify or repeal such [By-laws/ Limited Liability Company Agreement], the same being in full force and effect in the attached form as of the date hereof.

(3) Resolutions/Authority. Attached hereto as "Exhibit C" is a true and correct copy of the resolutions that have been duly adopted by the unanimous written consent of the [Board of Directors of the Company] dated [,], and such resolutions have not been amended, modified, revoked or rescinded in any respect since their adoption and remain in full force and effect on the date hereof.

(4) Incumbency. "Exhibit D" attached hereto sets forth the names, titles, and specimen signatures of individuals who are duly elected, qualified and acting officers of [the general partner of][the managing member of][the members of] the Company as of the date hereof, each of whom is authorized to execute and deliver on behalf of the Company the Credit Agreement and the other Loan Documents as more particularly described and defined in the resolutions attached hereto as "Exhibit C", and any other agreements, documents, certificates or writings in connection therewith which are required of the Company to effect or evidence the Credit Agreement.

(5) Good Standing/Existence. Attached hereto as "Exhibit E" [are copies of/is a copy of a] recently dated certificate(s) issued by the Secretary of State or other appropriate authority of each jurisdiction in which the Company was formed, incorporated or organized or is qualified to do business, such certificates evidencing the good standing and existence of the Company in such jurisdictions.

(6) [Unanimous Shareholders Agreement. There is no unanimous shareholders agreement or shareholder declaration respecting the Company and the Company is not party to any other agreement restricting the powers of the directors.] [Attached hereto as "Exhibit F" is a true and complete copy of the shareholders' agreement relating to the Company and all amendments relating thereto and, as of the date hereof, such shareholders' agreement is in full force and effect. No proceedings have been taken or are pending to amend or supplement the same.]

IN WITNESS WHEREOF, the undersigned has hereunto executed this Secretary's Certificate as of the day and year first above written.

Name:

Title: Secretary

The undersigned, _____, does hereby certify that [he][she] is the duly elected and presently incumbent _____ of the Company referred to above, and in such capacity does hereby certify to the Administrative Agent that _____ is the duly elected and presently incumbent Secretary of the Company.

Name:

Title:

Exhibit A

[Certificate/Articles of Incorporation/Formation/Organization and all amendments thereto]

Exhibit B

[By-laws/ Limited Liability Company Agreement]

Exhibit C

[Resolutions]

Exhibit D

Incumbency

Name

Office

Date

Signature

Exhibit E

[Good Standing Certificates]

[Exhibit F]

[Shareholders' Agreement]

FORM OF ASSIGNMENT AND ACCEPTANCE AGREEMENT

This Assignment and Acceptance Agreement (the "Assignment and Acceptance") is dated as of the Effective Date set forth below and is entered into by and between the Assignor named below (the "Assignor") and the Assignee named below (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, supplemented or otherwise modified from time to time, "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any letters of credit, guarantees and swing line loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by the Assignor to the Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by the Assignor.

1. Assignor: _____
2. Assignee: _____ and is [a][an] [Subsidiary] [Affiliate] [Approved Fund] of [identify Lender]]¹
3. Borrowers: Sprague Operating Resources LLC, Kildair Service Ltd. and Sprague Resources ULC
4. Administrative Agent: JPMorgan Chase Bank, N.A., as administrative agent under the Credit Agreement
5. Credit Agreement: The Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, supplemented or otherwise modified from time to time), among Sprague Operating Resources LLC, Sprague Resources ULC and Kildair Service Ltd., as Borrowers, the Lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto.
6. Assigned Interest:

<u>Facility Assigned</u>	<u>Aggregate Amount of Commitment/Loans/ Obligations for all Lenders</u>	<u>Amount of Commitment/Loans/ Obligations Assigned</u>	<u>Percentage Assigned of Commitment/Loans/ Obligations²</u>
Dollar Working Capital Facility Commitment	\$	\$	%
Multicurrency Working Capital Facility Commitment	\$	\$	%
Acquisition Facility Commitment	\$	\$	%

Effective Date: _____, 201 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

¹ Select as applicable.

² Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

The Assignee agrees to deliver to the Administrative Agent a completed administrative questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrowers, the other Loan Parties and their Affiliates or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including federal, state, provincial and territorial securities laws.

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____

Name: _____

Title: _____

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____

Name: _____

Title: _____

Consented to and Accepted:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Name:
Title:

Consented to:

[JPMORGAN CHASE BANK, N.A.,
as a Dollar Working Capital Facility Issuing Lender, and a
Dollar Swing Line Lender

By: _____
Name:
Title:

I _____,
as [a Dollar Working Capital Facility Issuing Lender] [a Dollar
Swing Line Lender],

By: _____
Name:
Title:

By: _____
Name:
Title:]³

³ Include for Assignments of [Dollar Working Capital Facility Commitment] [Dollar Swing Line Facility Commitment].

[JPMORGAN CHASE BANK, N.A.,
as a Multicurrency Working Capital Facility Issuing Lender,
and a Multicurrency Swing Line Lender]

By: _____
Name:
Title:

{ _____ },
as a [Multicurrency Working Capital Facility Issuing Lender]
[a Multicurrency Swing Line Lender],

By: _____
Name:
Title:

By: _____
Name:
Title:]⁴

⁴ Include for Assignments of Multicurrency Working Capital Facility Commitment.

**[JPMORGAN CHASE BANK, N.A.,
as an Acquisition Facility Issuing Lender**

By: _____
Name: _____
Title: _____

I _____],
as an Acquisition Facility Issuing Lender,

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title:]⁵

[Consented to:
SPRAGUE OPERATING RESOURCES LLC,
as Borrower

By: _____
Name: _____
Title:]⁶

⁵ Include for Assignments of Acquisition Facility Commitment.

⁶ Include if required by Section 11.7(c) of the Credit Agreement.

Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, supplemented or otherwise modified from time to time (the "Credit Agreement"), among Sprague Operating Resources LLC (the "U.S. Borrower"), Kildair Service Ltd. ("Kildair"), Sprague Resources ULC ("AcquireCo") and, together with Kildair, the "Initial Canadian Borrowers"), the Lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), and the other agents parties thereto. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ACCEPTANCE AGREEMENT

1. Representations and Warranties.

(a) Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the MLP, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the MLP, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

(b) Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 7.1 thereof, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender and (v) attached to the Assignment and Acceptance is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by email or telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York.

FORM OF BORROWING BASE REPORT

Date: _____

Borrower: Sprague Operating Resources LLC

For: Credit Agreement dated as of December 9, 2014

This report, the schedule attached as Exhibit I hereto and the accompanying supporting information (collectively, the "Report") is delivered pursuant to the Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Sprague Operating Resources LLC (the "U.S. Borrower"), Kildair Service Ltd. ("Kildair") and Sprague Resources ULC ("AcquireCo"), as Borrowers, the Lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement.

The undersigned hereby certifies to the Administrative Agent that:

- (1) such Responsible Person is the [insert title] of the U.S. Borrower;
- (2) the amounts set forth on the schedule attached as Exhibit I hereto constitute all Collateral which has been or is being used in determining availability for an advance or letter of credit issued under the Credit Agreement as of [X];
- (3) the sum of (i) the Total Working Capital Facility Extensions of Credit plus (ii) the Total Acquisition Facility Working Capital Extensions of Credit, do not exceed the Aggregate Borrowing Base Amount as of the date hereof; and
- (4) the information contained in this Report is true and correct in all material respects as of the date hereof, is based on information contained in the U.S. Borrower's financial accounting records, and is all of the information required to be delivered pursuant to Section 7.2(c) of the Credit Agreement and the definition of "Borrowing Base Report" under the Credit Agreement in relation to the Aggregate Borrowing Base Amount.

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CONSOLIDATED BORROWING BASE REPORT
As of [Borrowing Base Reporting Date]

U.S. BORROWING BASE AMOUNT

COLLATERAL TYPE	Gross Value	Advance Rate	Borrowing Base Value
Eligible Cash and Cash Equivalents	[]	100%	[]
Eligible Tier 1 Accounts Receivable	[]	90%	[]
Eligible Unbilled Tier 1 Accounts Receivable	[]	85%	[]
Eligible Tier 2 Accounts Receivable	[]	85%	[]
Eligible Unbilled Tier 2 Accounts Receivable	[]	80%	[]
Eligible Hedged Petroleum Inventory	[]	85%	[]
Eligible Petroleum Inventory	[]	80%	[]
Eligible Hedged Natural Gas Inventory	[]	85%	[]
Eligible Natural Gas Inventory	[]	80%	[]
Eligible Coal Inventory	[]	70%	[]
Eligible Asphalt Inventory	[]	70%	[]
U.S. Prepaid Purchases	[]	75%	[]
Eligible Net Liquidity in Futures Accounts	[]	85%	[]
Eligible Exchange Receivables	[]	80%	[]
Eligible Short Term Unrealized Forward Gains	[]	80%	[]
Eligible Medium Term Unrealized Forward Gains	[]	70%	[]
Eligible Long Term Unrealized Forward Gains	[]	60%	[]
Eligible Letters of Credit Issued for Commodities Not Yet Received	[]	80%	[]
Paid But Unexpired Letters of Credit	[]	100%	[]
Eligible RINs	[]	70%	[]
Less			
First Purchaser Lien Amount	[]	100%	[]
Product Taxes	[]	100%	[]
Swap Amounts due to Qualified Counterparties in excess of \$20,000,000.00	[]	110%	[]
Overcollateralization Amount	[]	100%	[]
Total U.S. Borrowing Base			[]
Less			

KILDAIR BORROWING BASE AMOUNT

COLLATERAL TYPE	Gross Value	Advance Rate	Borrowing Base Value
Eligible Cash and Cash Equivalents	[]	100%	[]
Eligible Tier 1 Accounts Receivable	[]	90%	[]
Eligible Unbilled Tier 1 Accounts Receivable	[]	85%	[]
Eligible Tier 2 Accounts Receivable	[]	85%	[]
Eligible Unbilled Tier 2 Accounts Receivable	[]	80%	[]
Eligible Hedged Petroleum Inventory	[]	85%	[]
Eligible Petroleum Inventory	[]	80%	[]
Eligible Asphalt Inventory	[]	70%	[]
Kilair Prepaid Purchases	[]	75%	[]
Eligible Net Liquidity in Futures Accounts	[]	85%	[]
Eligible Short Term Unrealized Forward Gains	[]	80%	[]
Eligible Letters of Credit Issued for Commodities Not Yet Received	[]	80%	[]
Paid But Unexpired Letters of Credit	[]	100%	[]
Less			
Reserves	[]		[]
Product Taxes	[]	100%	[]
Swap Amounts due to Qualified Counterparties in excess of \$5,000,000.00	[]	110%	[]
Overcollateralization Amount	[]	100%	[]
Total Kildair Borrowing Base			[]

AGGREGATE BORROWING BASE AMOUNT

EXTENSIONS OF CREDIT

U.S. Borrowing Base

{ }

Kildair Borrowing Base

[]

Less

Dollar Working Capital Facility Letters of Credit

[]

Multicurrency Working Capital Facility Letters of Credit

[]

Dollar Working Capital Facility Loans

[]

Multicurrency Working Capital Facility Loans

[]

Acquisition Facility Working Capital Letters of Credit

[]

Acquisition Facility Working Capital Loans

[]

Dollar Swing Line obligations

[]

Multicurrency Swing Line obligations

[]

Total Extensions of Credit for calculation

[]

AGGREGATE BORROWING BASE AVAILABILITY

[]

SPRAGUE OPERATING RESOURCES LLC, as Borrower

By: _____

Name:

Title:

FORM OF AMENDED AND RESTATED INTERCOMPANY SUBORDINATION AGREEMENT

AMENDED AND RESTATED INTERCOMPANY SUBORDINATION AGREEMENT, dated as of _____ (as amended, supplemented or otherwise modified from time to time, this "Subordination Agreement"), by and among SPRAGUE OPERATING RESOURCES LLC, a Delaware limited liability company (the "Company" and, together with each other Loan Party (as defined in the Credit Agreement referred to below) listed on the signature pages hereof or which becomes a party hereto, each an "Obligor" and, collectively, the "Obligors") and JPMorgan Chase Bank, N.A., as administrative agent (together with its successors and assigns in such capacity, the "Administrative Agent") under the Credit Agreement (as hereinafter defined).

RECITALS

WHEREAS, pursuant to the Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Company, Kildair Service Ltd. ("Kildair") and Sprague Resources ULC ("AcquireCo"), as Borrowers, the Lenders from time to time parties thereto, the Administrative Agent, and the other agents parties thereto, the Lenders have severally agreed to make Loans to and the Issuing Lenders have agreed to issue or provide Letters of Credit for the account of any Borrower upon the terms and subject to the conditions set forth therein, which Loans may be evidenced by the Notes issued by any Borrower thereunder;

WHEREAS, each Obligor has made or may make from time to time certain loans, advances or other extensions of credit to one or more of the other Obligors; and

WHEREAS, it is a covenant under Section 8.2(b) of the Credit Agreement that each Obligor enter into this Subordination Agreement with the Administrative Agent in respect of all amounts from time to time owing to such Obligor (including any interest thereon) from any other Obligor.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, the capitalized terms used herein which are defined in, or by reference in, the Credit Agreement shall have the meanings specified therein. In addition, as used in this Subordination Agreement, the following terms have the following meanings:

"Payment in Full of the Senior Obligations": (a) the indefeasible payment in full in cash of all amounts due or to become due (whether or not all or any of the Senior Obligations have been declared due and payable prior to the date on which such Senior Obligations would otherwise have become due and payable) on or in respect of all Senior Obligations, and (b) the termination of the Commitments.

"Senior Obligations": the collective reference to the unpaid principal of and interest on the Loans, unpaid Reimbursement Obligations and interest thereon and all other Obligations (for the avoidance of doubt, including, without limitation, interest accruing after the filing of any petition in

bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Loan Party, whether or not a claim for post filing or post-petition interest is allowed in such proceeding) of any Loan Party to the Lenders, the Issuing Lenders, the Cash Management Banks, Qualified Cash Management Banks, Qualified Counterparties and the Agents (collectively, the "Lender Parties").

"Subordinated Obligations": with respect to any Obligor, any and all amounts from time to time owing to such Obligor (including any interest thereon) from any other Obligor.

"Subordination Event": the Senior Obligations becoming due and payable in full, whether upon maturity, acceleration or otherwise.

2. Subordination. (a) Each Obligor agrees that the Subordinated Obligations shall be Subordinate and Junior in Right of Payment to all Senior Obligations.

(a) As used in this Subordination Agreement the term "Subordinate and Junior in Right of Payment" shall mean that:

(i) no part of the Subordinated Obligations shall have any claim to the assets of any Obligor on a parity with or prior to the claim of the Senior Obligations, and payment of all of the Subordinated Obligations is and shall be subject, subordinate and deemed junior in right of payment to the prior Payment in Full of the Senior Obligations;

(ii) upon the occurrence and during the continuance of an Event of Default, and following receipt by any Loan Party of a written notice from the Administrative Agent prohibiting the following,

(A) no Obligor will take, demand or receive from any other Obligor and no Obligor will make, give or permit, directly or indirectly, by set off, redemption, purchase or in any other manner, any payment of or security for the whole or any part of the Subordinated Obligations unless otherwise permitted by the Credit Agreement or consented to in writing by the Administrative Agent, and

(B) no Obligor will accelerate for any reason the scheduled maturities of any Subordinated Obligations unless permitted in writing by the Administrative Agent;

provided that, upon the occurrence and during the continuance of an Event of Default, no payments permitted pursuant to clause (A) above shall be made into any Deposit Account, Securities Account or Commodity Account of any Loan Party that is not a Controlled Account (in each case as defined in the applicable Security Agreement); provided, further, that so long as no Event of Default has occurred and is continuing, each Obligor may make payments of interest on and principal of the Subordinated Obligations, including, without limitation, any payments on Subordinated Obligations consisting of customary revolving intercompany payables consistent with past practice; and

(iii) in the event of any Subordination Event, any payment or distribution of any kind or character, whether in cash, property or securities which, but for the subordination provisions of this Subordination Agreement, and subject to the proviso in the preceding subsection (ii) would otherwise be payable or deliverable upon or in respect of the Subordinated Obligations, shall instead be paid over or delivered to the Administrative Agent for application on account of the Senior Obligations, and no Obligor shall receive any such payment or distribution or any benefit therefrom.

(b) Upon the occurrence of a Subordination Event arising pursuant to Section 9.1(g) of the Credit Agreement, (i) if any Obligor shall have failed to file claims or proofs of claim with respect to the Subordinated Obligations earlier than thirty (30) days prior to the deadline for any such filing, such Obligor shall execute and deliver to the Administrative Agent such powers of attorney, assignments or other instruments as the Administrative Agent may reasonably request to file such claims or proofs of claim and (ii) unless each Lender Party shall otherwise agree in writing, until the Payment in Full of the Senior Obligations, no Obligor shall be entitled to receive any payment on account of principal of (or premium, if any) or interest on or other amounts payable in respect of the Subordinated Obligations, and to that end, any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in respect of Subordinated Obligations in any such case, filing, petition, plan or arrangement, proceeding, receivership, dissolution, liquidation or other winding up proceeding (such proceedings, collectively, "Insolvency Proceedings") shall instead be paid or delivered to the Administrative Agent for application to the Senior Obligations that are due and payable until the Payment in Full of the Senior Obligations shall have first occurred.

(c) If any Insolvency Proceeding is commenced by or against any Obligor:

(i) the Administrative Agent and each other Lender Party is hereby irrevocably authorized and empowered (in its own name or in the name of the applicable Obligor or otherwise), but shall have no obligation, to demand, sue for, collect and receive every payment or distribution in respect of the Subordinated Obligations above and give acquittance therefor and to file claims and proofs of claim and take such other action (including voting the Subordinated Obligations or enforcing any security interest or other lien securing payment of the Subordinated Obligations) as such Lender Party may deem necessary or advisable for the exercise or enforcement of any of the such Lender Party's rights or interests hereunder; and

(ii) each Obligor shall duly and promptly take such action as the Administrative Agent or any other Lender Party may request in its good faith business judgment (A) to collect the Subordinated Obligations for the account of the Lender Parties and to file appropriate claims or proofs of claim in respect of the Subordinated Obligations, (B) to execute and deliver to the Lender Parties such powers of attorney, assignments, or other instruments as such Lender Parties may request in order to enable them to enforce any and all claims with respect to, and any security interests and other liens securing payment of, the Subordinated Obligations and (C) to collect and receive any and all payments or distributions which may be payable or deliverable upon or with respect to the Subordinated Obligations.

(d) Should any payment or distribution or security, or the proceeds of any thereof, be collected or received by any Obligor in respect of Subordinated Obligations, and such collection or receipt is not expressly permitted hereunder prior to the payment in full of the Senior Obligations, such Obligor will, forthwith deliver the same to the Administrative Agent, to the extent practicable in precisely the form received (except for the endorsement or the assignment of the holder thereof where necessary) and, until so delivered, the same shall be held in trust by such Obligor as the property of the Lender Parties.

(e) Each Obligor waives any right that it may have to be subrogated to the rights of the Lender Parties to receive payments or distributions of assets of any other Obligor made on the Senior

Obligations or to otherwise seek reimbursement, indemnity or contribution or payment of any kind from any other Obligor in respect of amounts paid to the Lender Parties in lieu of such Obligor by operation of this Subordination Agreement, until such time as the Senior Obligations have been indefeasibly paid in full in cash and the Commitments have been terminated.

(f) Each Obligor hereby waives any and all notices of renewal, extension or accrual or increase of any of the Senior Obligations, present or future, and agrees and consents that without notice to or assent by such Obligor:

(i) the obligations and liabilities of any other Obligor or any other party or parties for or upon the Senior Obligations (and/or any promissory note(s), security document or guaranty evidencing or securing any of the same) may, from time to time, in whole or in part, be renewed, extended, modified, amended, accelerated, compromised, supplemented, terminated, sold, exchanged, waived or released or increased;

(ii) the Administrative Agent and each other Lender Party may exercise or refrain from exercising any right, remedy or power granted by the Credit Agreement, any other Loan Document or any other document creating, evidencing or otherwise related to any of the Senior Obligations or at law, in equity, or otherwise, with respect to any of the Senior Obligations or any collateral security, hypothec or lien (legal or equitable) held, given or intended to be given therefor (including, without limitation, the right to perfect or register any lien, hypothec or security interest created in connection therewith); and

(iii) any and all Collateral or other collateral security and/or Liens (legal or equitable) at any time, present or future, held, given or intended to be given for any of the Senior Obligations, and any rights or remedies of any Lender Party in respect thereof may, from time to time, in whole or in part, be exchanged, sold, surrendered, released, modified, waived or extended by such Lender Party;

(iv) in each case, as the Administrative Agent or any other Lender Party may deem advisable and all without impairing, abridging, diminishing, releasing or affecting the subordination to the Senior Obligations provided for herein.

(g) Each Obligor acknowledges and agrees that the Administrative Agent and each other Lender Party has relied upon and will continue to rely upon the subordination provided for herein in entering into the Credit Agreement.

3. Representations and Warranties. Each Obligor hereby represents and warrants that, as of the date hereof, such Obligor has no material claims against any other Obligor arising out of breach of contract or tort or otherwise.

4. Transfers of Subordinated Obligations. Each Obligor agrees that it will not assign, transfer, sell or otherwise dispose of its right, title and interest in any Subordinated Obligation to any other Person, other than an Affiliate or a Subsidiary, which transferee shall agree to the terms of this Subordination Agreement.

5. Miscellaneous. (a) No failure to exercise, and no delay in exercising, on the part of the holders, assignees and beneficiaries from time to time of the Senior Obligations, any right, power or privilege under this Subordination Agreement shall operate as a waiver thereof; nor shall any single or

partial exercise of any right, power or privilege under this Subordination Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The Administrative Agent shall not be prejudiced in its right to enforce the subordination contained herein in accordance with the terms hereof by any act or failure to act on the part of any Obligor. The rights and remedies provided in this Subordination Agreement and in the other Loan Documents and in all other agreements, instruments and documents referred to in any of the foregoing are cumulative and shall not be exclusive of any rights or remedies provided by law.

(b) Each Obligor agrees to execute and deliver such further documents and to do such other acts and things as the Administrative Agent may reasonably request in order to fully effect the purposes of this Subordination Agreement.

(c) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made (i) in the case of delivery by hand, when received, (ii) in the case of delivery by mail, when received, or (iii) in the case of delivery by facsimile transmission, when sent, and receipt has been electronically confirmed, (1) to any Obligor, as set forth below its name on the signature pages hereof, and (2) to the Administrative Agent, at its address specified in Section 11.2 of the Credit Agreement.

(d) Each Obligor agrees to give the Administrative Agent prompt notice of any default by any other Obligor in respect of the Subordinated Obligations.

(e) Each Obligor will cause each note and instrument (if any) evidencing the Subordinated Obligations to be endorsed with the following legend:

"The indebtedness evidenced by this instrument is subordinated to the prior indefeasible payment in full in cash of the Senior Obligations (as defined in the Intercompany Subordination Agreement dated as of _____ by and among the [Payor][Borrower][MLP], the [Payee][Lender], certain of their affiliates and JPMorgan Chase Bank, N.A., as Administrative Agent, regarding subordination) pursuant to, and to the extent provided in, such Intercompany Subordination Agreement."

(f) Each Obligor hereby agrees to mark its books of account in such a manner as shall be effective to give proper notice of the effect of this Subordination Agreement and will, in the case of any Subordinated Obligations not evidenced by any note or instrument, following the occurrence and continuation of an Event of Default, upon the Administrative Agent's request, cause such Subordinated Obligations to be evidenced by an appropriate note or instrument or instruments endorsed with the above legend. Each Obligor will at its expense and at any time and from time to time promptly execute and deliver all further instruments and documents and take all further action that may be necessary or that the Administrative Agent may request in its good faith business judgment to protect any right or interest granted or purported to be granted hereunder or to enable the Lender to exercise and enforce their rights and remedies hereunder.

(g) THIS SUBORDINATION AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE LENDER PARTIES AND EACH OBLIGOR UNDER THIS SUBORDINATION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. This Subordination Agreement shall be binding upon the Administrative Agent, each Obligor and their

respective successors, transferees and assigns and shall inure to the benefit of the Administrative Agent, the other Lender Parties, each Obligor and their respective successors, transferees and assigns; provided, that no Obligor may assign its rights or obligations hereunder without the prior written consent of the Administrative Agent.

(h) The subordination provisions contained herein are for the benefit of the Administrative Agent, the other Lender Parties and their respective successors and assigns as holders from time to time of Senior Obligations and may not be rescinded or canceled or modified in any way, nor, unless otherwise expressly provided for herein, may any provision of this Subordination Agreement be waived or changed without the express prior written consent thereto of the Required Lenders. Subject to the preceding sentence, this Subordination Agreement may be amended or modified only by an instrument in writing signed by the parties hereto.

(i) This Subordination Agreement may be executed by one or more of the parties to this Subordination Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Subordination Agreement to be duly executed and delivered as of the day and year first above written.

[INSERT NAME OF OBLIGOR]

By: _____
Name:
Title:

[INSERT NAME OF OBLIGOR]

By: _____
Name:
Title:

Address for Notices:
[ADDRESS]

JPMorgan Chase Bank, N.A., as Administrative Agent

By: _____
Name:
Title:

FORM OF AXEL JOHNSON SUBORDINATED NOTE

This Note has not been registered under the Securities Act of 1933, as amended, and may not be sold or otherwise transferred in the absence of such registration or an exemption therefrom under such Act. Furthermore, this Note may not be sold or otherwise transferred other than in compliance with Section 1.4 of this Note.

This Note is, to the extent expressly described herein, subordinated to the prior payment and satisfaction of all Senior Indebtedness, as defined herein. [This Note is in satisfaction of the principal of that certain Note dated _____ with a maturity date of _____ in the amount of (C)\$ _____. That Note is hereby deemed to be fully matured and satisfied, and no further payment obligation exists with respect to the principal thereof.]

x

x [SPRAGUE ENTITY]

[U.S.][C] \$[] [] , 201]

FOR VALUE RECEIVED, the undersigned [Sprague Entity] (the "Company") hereby promises to pay to [Name of Axel Johnson Affiliate], a [jurisdiction of formation/organization] [entity type] (in such capacity as payee, the "Investor"), or its registered assigns (collectively, the "Noteholder"), at the Company's principal office, or at such other place as the Noteholder shall from time to time have designated to the Company in writing, on [] , 201] (the "Maturity Date"), [] [United States Dollars (U.S. \$[]) [Canadian Dollars (C\$[)]]. Interest will accrue daily (computed on the basis of a 360-day year) on the principal amount hereof from time to time unpaid to and including the maturity hereof at a rate per annum equal to []%. Interest shall be payable in arrears on [] , [] , [] and [] , commencing on [] , 201] , on the date of any prepayment of this Note (in whole or in part), and at maturity, whether by acceleration or otherwise. Interest payable after maturity of this Note (by acceleration or otherwise) shall be payable upon demand.

1. PAYMENT PROVISIONS.

The Company covenants that so long as this Note is outstanding:

(a) Payment at Maturity of Note. Subject to the restrictions contained in the Credit Agreement and in Section 3 below, on the Maturity Date, or on any accelerated maturity of this Note, the Company will pay the entire principal amount of this Note then outstanding, together with all accrued and unpaid interest hereon.

(b) Voluntary Prepayments. Subject to the restrictions contained in the Credit Agreement and in Section 3 below, the Company may at any time and from time to time prepay all or any part of the principal amount of this Note, without premium or penalty. Upon each prepayment of this Note, in whole or in part, the Company will pay to the Noteholder the principal amount to be prepaid and any unpaid interest accrued thereon to the prepayment date. From and after the date such payment is actually made, interest on the principal amount so prepaid shall cease to accrue.

(c) Manner and Time of Payment. All payments made by the Company pursuant to this Note shall be made without defense, set off or counterclaim, in same day funds and delivered to the holder of this Note not later than Noon (New York time) on the date such payment is due, with such payment to be made in the same manner as that provided for payment of interest herein; provided that funds received by such holders after Noon (New York time) shall be deemed to have been paid by the Company on the next succeeding Business Day. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, the payment shall be made on the next succeeding Business Day and such additional period shall be included in the computation of the payment of interest hereunder.

(d) Transfer.

(i) Transfer of Note. The Noteholder shall have the right to sell, assign, transfer or negotiate all or part of this Note to one or more of its Axel Johnson Affiliates. In the case of any sale, assignment, transfer or negotiation of all or part of this Note authorized under this Section 1.4, the assignee, transferee or recipient shall have, to the extent of such sale, assignment, transfer or negotiation, the same rights, benefits and obligations as it would if it were the Noteholder with respect to such Note or the loans evidenced thereby.

(ii) Registration of Transfer. The Company shall keep at its principal office a register in which the Company shall provide for the registration of this Note and for the transfer of the same. Upon surrender for registration of transfer of this Note at the principal office of the Company, the Company shall, at its expense, promptly execute and deliver one or more new Notes of like tenor and of a like principal amount, registered in the name of such transferee or transferees and, in the case of a transfer in part, a new Note in the appropriate amount registered in the name of such transferor.

(iii) Transferee. In connection with any sale, assignment or transfer of this Note, the transferor shall give notice to the Company and the Administrative Agent of the identity of the transferee.

2. **EVENTS OF DEFAULT.**

If one or more of the following events (herein referred to as "Events of Default") shall occur and be continuing:

(a) Payment Default. The Company shall fail to pay (i) any principal of this Note when the same becomes due and payable, whether upon maturity, prepayment, acceleration or otherwise or (ii) any interest on this Note, for a period of ten days after the same shall become due and payable or (iii) any other amount due hereunder within 30 days after demand therefore.

(b) Bankruptcy, etc. The Company or any of its Subsidiaries (each, an "Obligor") shall: (a) commence a voluntary case, plan, proposal or other proceeding under the Bankruptcy Code or any

Insolvency Laws or authorize, by appropriate proceedings of its board of directors or other governing body, the commencement of such a voluntary case, application, plan, proposal or other proceeding; (b) (i) have filed against it a petition, notice of intention, proposal, application or plan commencing an involuntary case, plan, proposal or other proceeding under the Bankruptcy Code or any Insolvency Laws that shall not have been dismissed within 90 days after the date on which such petition, notice of intention, proposal, application or plan is filed, or (ii) file an answer or other pleading within such 90-day period admitting or failing to deny the material allegations of such a petition or seeking, consenting to or acquiescing in the relief therein provided, or (iii) have entered against it an order for relief in any involuntary case, proposal, plan or other proceeding commenced under the Bankruptcy Code or any Insolvency Laws; (c) seek relief as a debtor under any applicable law, other than the Bankruptcy Code, of any jurisdiction relating to the liquidation, arrangement or reorganization of debtors or to the modification or alteration of the rights of creditors, or consent to or acquiesce in such relief; (d) have entered against it an order by a court of competent jurisdiction (i) finding it to be bankrupt or insolvent, (ii) ordering or approving its liquidation, arrangement or reorganization as a debtor or any modification or alteration of the rights of its creditors or (iii) assuming custody of, or appointing a receiver, trustee, receiver and manager, interim receiver or other custodian for, all or a substantial portion of its property; or (e) make an assignment for the benefit of, or enter into a composition with, its creditors, or appoint, or consent to the appointment of, or suffer to exist a receiver, trustee, receiver and manager, interim receiver or other custodian for, all or a substantial portion of its property,

then, (i) upon the occurrence of any Event of Default described in Section 2.2 with respect to the Company, the unpaid principal amount of this Note, together with accrued interest thereon, shall automatically become immediately due and payable, without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by the Company, and (ii) upon the occurrence of any other Event of Default the Noteholder may, upon prior written notice to the Administrative Agent (if the Credit Agreement is then still in effect), and upon written notice to the Company, declare this Note to be due and payable, whereupon the principal amount of this Note, together with accrued interest thereon, shall automatically become immediately due and payable, without any other notice of any kind, and without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by the Company; provided, however, that the acceleration of principal and interest with respect to this Note and the exercise of judicial and foreclosure remedies shall be subject to the restrictions in Section 3 below.

3. SUBORDINATION

(a) Obligations Subordinate to Senior Indebtedness. The Company covenants and agrees, and the Noteholder by its acceptance of this Note, likewise covenants and agrees, that this Note shall be subject to the provisions of this Section 3; and the Noteholder, whether a holder upon original issue or upon transfer, assignment or exchange of this Note, accepts and agrees (i) that the payment of all Note Obligations shall be subordinated and junior in right of payment to the prior payment in full of all of the Senior Indebtedness from time to time outstanding, and the Note Obligations are subordinated as a claim against the Company, any other Obligor, any guarantor of the Senior Indebtedness or any of their respective assets to the prior payment in full of the Senior Indebtedness, in each case, to the extent and in the manner hereinafter set forth and whether such claim is (a) in the ordinary course of business or (b) in the event of any Bankruptcy Event, (ii) that the subordination is for the benefit of, and shall be enforceable directly by, each holder of such Senior Indebtedness, and (iii) that each holder of such Senior Indebtedness, whether now outstanding or hereafter created, assumed or guaranteed, shall be deemed to have acquired its Senior Indebtedness in reliance upon the covenants and provisions contained in this Note including, without limitation, this Section 3.

(b) Payment Over of Proceeds Upon Bankruptcy Event. In the event of (i) any insolvency or bankruptcy case, petition, plan, proposal or other proceeding, or any receivership, liquidation, reorganization, adjustment, plan of arrangement, composition or other similar case or proceeding in connection therewith, relative to the Company or any other Obligor or to their respective creditors, as such, or to their respective assets, or (ii) any liquidation, dissolution or other winding up of the Company or any other Obligor, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (iii) any assignment for the benefit of creditors or any other marshaling of assets and liabilities of the Company or any other Obligor (collectively, "Bankruptcy Events"), then and in any such event:

(i) All obligations due or to become due under or with respect to all Senior Indebtedness in such proceeding shall be paid in full, in cash, or payment thereof in a form and manner satisfactory to the holders of Senior Indebtedness then outstanding shall have been provided for, before the Noteholder is entitled to receive any payment or distribution, whether in cash, securities or other property, on account of the Note Obligations;

(ii) Any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, by set-off or otherwise, to which the Noteholder would be entitled but for the provisions of this Section 3, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other Indebtedness of the Company being subordinated to the payment of the Note Obligations shall be paid by the liquidating trustee or agent or other Person making such payment or distribution, whether a trustee in bankruptcy, receiver, receiver and manager, interim receiver or liquidating trustee or otherwise, directly to the Administrative Agent, for the benefit of the holders of the Senior Indebtedness, or its representative, ratably according to the aggregate amounts remaining unpaid on account of the principal of, and interest on, such Senior Indebtedness held or represented by each, for application to the Senior Indebtedness to the extent necessary to make payment in full of all such Senior Indebtedness remaining unpaid;

(iii) In the event that, notwithstanding the foregoing provisions of this Section 3.2, the Noteholder shall have received after any such Bankruptcy Event any such payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of any other Indebtedness being subordinated to the payment of the Note Obligations before all such Senior Indebtedness is paid in full or payment thereof provided for in a form and manner satisfactory to the holders of Senior Indebtedness, then and in such event such payment or distribution shall be segregated and held in trust by the Noteholder for the benefit of the holders of the Senior Indebtedness, and shall forthwith be paid over and delivered (together with any necessary endorsements) directly to the Administrative Agent, for the benefit of the holders of such Senior Indebtedness, or its representative, ratably according to the aggregate amounts remaining unpaid on account of the principal of, and interest on, such Senior Indebtedness held or represented by each, for application to the Senior Indebtedness to the extent necessary to pay all such Senior Indebtedness in full; and

(iv) The Administrative Agent, on behalf of the holders of the Senior Indebtedness, shall have the right to request the Noteholder to file and, in the event the Noteholder fails

to do so within 10 days prior to any deadline fixed in such proceeding for the filing of such a claim, is hereby authorized to file a proof of claim in the form required in any Bankruptcy Event for and on behalf of the Noteholder, to accept and receive any payment or distribution which may be payable or deliverable at any time upon or in respect of the Note Obligations in an amount not in excess of the Senior Indebtedness then outstanding, including without limitation all interest and Post Petition Interest with respect thereto, and to take such other action as may be reasonably necessary to effectuate the foregoing. In any proceedings with respect to any Bankruptcy Event, the Noteholder irrevocably authorizes the Administrative Agent, on behalf of the holders of the Senior Indebtedness: (i) to vote claims comprising any Note Obligations and to accept or reject on behalf of the Noteholder any proposal, application or plan proposed in connection with any such Bankruptcy Event; (ii) to accept and execute receipts for any payment or distribution made with respect to any such Note Obligations and to apply such payment or distribution to the payment of the Senior Indebtedness; and (iii) to take any action and to execute any instruments necessary to effectuate the foregoing, either in the name of the Administrative Agent or in the name of the Noteholder as the attorney-in-fact of the Noteholder. The Noteholder shall provide to the Administrative Agent all information and documents reasonably necessary to present such claims or seek enforcement as aforesaid.

(c) Restricted Payments.

(i) Notwithstanding any other provision of this Note, the Company will not make, and the Noteholder will not accept or receive, any payment of any Note Obligations, whether in cash, securities or other property or by way of conversion, exchange or set-off or otherwise, and no such payment shall become due; provided, however, that the Company may make any payment of Note Obligations, and the Noteholder may accept any such payment, if at the time of such payment and after giving effect thereto, no "Default" or "Event of Default" (each as defined and used in the Credit Agreement) has occurred and is continuing and the Company is in compliance with the covenants set forth in Section 8.1 of the Credit Agreement calculated on a Pro Forma Basis.

(ii) In the event that any payment shall be received by the Noteholder which is prohibited by the foregoing provisions of this Section 3.3, then in such event such payment shall be segregated and held in trust by the Noteholder for the benefit of the holders of Senior Indebtedness, and shall forthwith be paid over and delivered (together with any necessary endorsements) directly to the Administrative Agent or its representative, for the benefit of holders of the Senior Indebtedness, ratably according to the aggregate amounts remaining unpaid on account of the principal of, and interest on, such Senior Indebtedness held or represented by each, for application to the Senior Indebtedness to the extent necessary to pay all such Senior Indebtedness in full after giving effect to any concurrent payment or distribution to or for the holders of such Senior Indebtedness. The provisions of this Section 3.3 shall not apply to any payment with respect to which Section 3.2 would be applicable.

(d) Manner of Exercise.

(i) Subject to the provisions of the Credit Agreement and the other Loan Documents, the Administrative Agent may take any actions to enforce Obligations under the Senior Indebtedness:

- (i) in any manner in its sole discretion in compliance with applicable law;
- (ii) without consultation with the Noteholder;
- (iii) regardless of whether a proceeding during a Bankruptcy Event has been commenced; and
- (iv) regardless of whether such exercise is adverse to the interest of the Noteholder.

(ii) The rights of the Administrative Agent to enforce any provision of this Note will not be prejudiced or impaired by:

- (i) any act or failure to act of the Company; or
- (ii) noncompliance by any Person other than the Administrative Agent with any provision of this Note,

regardless of any knowledge thereof that the Administrative Agent may have or otherwise be charged with.

(iii) The Noteholder, in such capacity, will not contest, protest or object to, or take any action to hinder, and it waives any and all claims with respect to, any action taken by the Administrative Agent to enforce Obligations under the Senior Indebtedness.

(e) Remedies Standstill. Without the Administrative Agent's prior written consent, the Noteholder shall not institute judicial or foreclosure proceedings to enforce any Note Obligations and the Noteholder shall not commence or join with any other creditor of the Obligors in commencing any proceeding against the Obligors seeking to effect an involuntary bankruptcy, receivership or similar arrangement until the acceleration of maturity of the Senior Indebtedness.

(f) Restrictions on Acceleration. Notwithstanding any contrary provision of this Note, any Note Obligations or any Note Agreement, (a) no Note Obligations (other than payments permitted by Section 3.3(a)) shall become or be declared to be due and payable prior to the date on which the Senior Indebtedness becomes or is declared to be due and payable and (b) if any Senior Indebtedness shall have become or been declared to be due and payable prior to its stated maturity, the Note Obligations shall become immediately due and payable.

(g) Subrogation to Rights of Holders of Senior Indebtedness. If the Noteholder pays or distributes cash, property or other assets to the Administrative Agent or another holder of Senior Indebtedness, the Noteholder will be subrogated to the rights of the Administrative Agent and/or such other holder of Senior Indebtedness, as applicable, with respect to the value of such payment or distributions; provided, that the Noteholder agrees not to assert or enforce any such rights of subrogation it may acquire as a result of any such payment or distribution until the payment in full of all Senior

Indebtedness. For purposes of such subrogation, no payments or distributions to the holders of such Senior Indebtedness of any cash, property or securities to which the Noteholder would be entitled except for the provisions of this Section 3, and no payments over pursuant to the provisions of this Section 3 to the Administrative Agent, for the benefit of the holders of such Senior Indebtedness, by the Noteholder shall, as among the Company, its creditors (other than holders of such Senior Indebtedness) and the Noteholder, be deemed to be a payment or distribution by the Company to or on account of such Senior Indebtedness.

(h) Provisions Solely to Define Relative Rights. The provisions of this Section 3 are and are intended solely for the purpose of defining the relative rights of the Noteholder on the one hand and the holders of Senior Indebtedness on the other hand. Nothing contained in this Section 3 or elsewhere in this Note is intended to or shall (a) impair, as among the Company, its creditors (other than holders of Senior Indebtedness) and the Noteholder, the obligation of the Company, which is absolute and unconditional, to pay to the Noteholder the principal of, and interest on, and any other amount payable by the Company hereunder as and when the same shall become due and payable in accordance with its terms; or (b) affect the relative rights against the Company of the Noteholder and its creditors (other than the holders of Senior Indebtedness); or (c) except to the extent provided in Section 3.5 and 3.6 above, prevent the Noteholder from accelerating this Note and exercising all other remedies otherwise permitted by applicable law upon default under this Note, in each case subject to the notice requirements provided in Section 2 hereof, and to the rights, if any, under this Section 3 of the holders of Senior Indebtedness with respect to the turnover of assets received upon the exercise of any such remedy.

(i) No Waiver of Subordination Provisions. No right of any present or future holder of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Company with the terms, provisions and covenants of this Note, regardless of any knowledge thereof any such holder may have or be otherwise charged with. Without in any way limiting the generality of the foregoing, the holders of Senior Indebtedness may at any time and from time to time, without the consent of or notice to the Noteholder, without incurring responsibility to the Noteholder and without impairing or releasing the subordination provided in this Section 3 or the obligations hereunder of the Noteholder to the holders of Senior Indebtedness, do any one or more of the following: (i) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Senior Indebtedness or any instrument evidencing the same or any agreement under which Senior Indebtedness is outstanding; (ii) sell, exchange, release or otherwise deal with any property pledged, mortgaged, hypothecated or otherwise securing Senior Indebtedness; (iii) take security in any form for the Senior Indebtedness; (iv) release any Person liable in any manner for the collection of Senior Indebtedness; and (v) exercise or refrain from exercising or waiving any rights, powers or remedies against the Company or any other Person.

(j) Reinstatement. The provisions of this Note shall continue to be effective or be reinstated, as the case may be, if at any time, upon the occurrence of a Bankruptcy Event or otherwise, any payment of any of the Senior Indebtedness is rescinded, invalidated, avoided, declared to be fraudulent or preferential, set aside or must otherwise be returned by any holder of Senior Indebtedness (a "Recovery"), all as though such payment had not been made. If the provisions of this Note are terminated prior to any such Recovery, the provisions of this Note will be reinstated in full force and effect, and such prior termination will not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto from the date of reinstatement. Upon any such reinstatement, the Noteholder will deliver to the Administrative Agent any proceeds or other payments made by Company between the purported payment in full of the Senior Indebtedness and their reinstatement in accordance with this Section 3. The

Noteholder may not benefit from any Recovery, and any distribution made to it as a result of any Recovery will be paid over to the Administrative Agent for application to the Senior Indebtedness in accordance with this Section 3.

(k) Amendment. The subordination provisions of this Section 3 are solely for the benefit of the holders of the Senior Indebtedness and may not be rescinded, canceled, amended or modified in any way without the prior written consent of the Required Lenders to be affected by such rescission, cancellation, amendment or modification.

(l) Refinancing. If the Company issues other indebtedness in exchange or replacement for the Senior Indebtedness, in whole or in part (a "Refinancing"), then the Senior Indebtedness will automatically be deemed not to have been discharged or paid in full for all purposes of this Section 3. Upon Noteholder's receipt of a notice stating that the Company has entered into a new loan or credit document with respect to a Refinancing and identifying the new agent thereunder (the "New Agent"),

(i) the indebtedness and obligations under such new credit or loan documents will be treated as Senior Indebtedness for all purposes under this Note; and

(ii) the New Agent under such new credit or loan documents will be the Administrative Agent for all purposes under this Note.

(m) Remedies. The Administrative Agent, on behalf of the holders of Senior Indebtedness, shall be entitled to enforce their rights under this Section 3 specifically, to recover damages by reason of any breach of any provision of this Section 3 and to exercise all other rights existing in their favor. The Noteholder and the Company each acknowledges and agrees that money damages may not be an adequate remedy for any breach of the provisions of this Section 3 and that the Administrative Agent, on behalf of holders of Senior Indebtedness, may apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief in order to enforce or prevent any violation of the provisions of this Section 3.

(n) No Collateral. The Obligors shall not grant, and the Noteholder shall not demand, accept or receive, any collateral, direct or indirect, for any Note Obligation.

(o) Payment in Full. For the purposes of this Note, no Senior Indebtedness shall be deemed to have been paid in full unless the holder thereof shall have received immediately available cash equal to the amount thereof then outstanding, all commitments to extend credit that would be Senior Indebtedness have been irrevocably terminated or have expired and the termination or cash collateralization of all letters of credit that, if drawn upon, would constitute Senior Indebtedness; provided, however, that if the holders of the Senior Indebtedness are required by reason of a judgment or order of any court or administrative authority having competent jurisdiction to repay any amounts or property received by the Administrative Agent, on behalf of the holders of the Senior Indebtedness, or the holders of the Senior Indebtedness, on account of the Obligations, and the Administrative Agent, on behalf of the holders of the Senior Indebtedness, or the holders of the Senior Indebtedness, repay or return such amounts or property, then the subordination provisions of this Note shall be reinstated retroactively with respect to the amounts so repaid or property so returned as if such amounts or property had never been received by the Administrative Agent, on behalf of the holders of the Senior Indebtedness, or the holders of the Senior Indebtedness notwithstanding any termination thereof or the cancellation of any instrument or agreement evidencing any of the Obligations.

(p) Effectiveness during Bankruptcy Event Proceedings. The provisions of this Section 3, which the parties hereto expressly acknowledge constitute a "subordination agreement" under section 510(a) of the Bankruptcy Code, will be effective before, during and after the commencement of proceedings under a Bankruptcy Event. All references in this Note to the Company will include such Person as a debtor-in-possession and any receiver, receiver and manager, interim receiver or trustee for such Person in any proceedings during a Bankruptcy Event.

3.17 Acknowledgment. The Company acknowledges that the Investor has executed that certain Acknowledgment and Agreement, dated as of [], pursuant to which the Investor has acknowledged and agreed to the provisions of this Section 3, and the Company shall use its best efforts to cause any additional Noteholder to execute an Acknowledgment and Agreement in the form of Exhibit A attached hereto.

4. DEFINITIONS.

Capitalized terms defined in the Credit Agreement and not otherwise defined in this Note shall have the meanings provided in the Credit Agreement. The following terms used in this Note shall have the following meanings:

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent under the Credit Agreement, together with any successors or assigns thereof.

"Bankruptcy Code" means Title 11 of the United States Code and any successor statute.

"Business Day" means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in New York, New York, are authorized or required by law or other governmental action to close.

"Credit Agreement" shall mean the Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, extended, renewed, increased, supplemented, refinanced, replaced or otherwise modified and in effect from time to time), among Sprague Operating Resources LLC, Kildair Service Ltd. and Sprague Resources ULC, as Borrowers, the lenders from time to time party thereto, the Administrative Agent and the other agents parties thereto.

"Default" means any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"Insolvency Laws" means each of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), and the *Winding-Up and Restructuring Act* (Canada), each as now and hereafter in effect, any successors to such statutes and any other applicable insolvency law, corporate law or other similar law of any jurisdiction, including any law of any jurisdiction permitting a debtor to obtain a stay, compromise, reorganization or arrangement of the claims of its creditors against it.

"Note Agreement" means any agreement pursuant to which this Note was issued and any other present or future agreement or instrument from time to time entered into among the Company or any other Obligor relating to, amending or modifying such agreement referred to above, each as from time to time in effect.

"Note Obligations" mean any and all obligations of the Company under this Note or under any Note Agreement with respect to this Note, including without limitation the obligation to pay principal, interest, expenses, attorneys' fees and disbursements, indemnities and other amounts payable thereunder or in connection therewith or related thereto.

"Obligations" has the meaning ascribed thereto in the Credit Agreement.

"Post Petition Interest" means interest accruing in respect of Senior Indebtedness after any Bankruptcy Event at the rate applicable to such Senior Indebtedness pursuant to the Credit Agreement, whether or not such interest is allowed as a claim enforceable against the Company or any other Loan Party in a bankruptcy or insolvency case, petition, filing, plan of arrangement or proceeding under the Bankruptcy Code or any Insolvency Laws, and any other interest that would have accrued but for the occurrence of such Bankruptcy Event.

"Senior Indebtedness" means the Obligations and any other amounts owing to the Administrative Agent or the Lenders (as defined in the Credit Agreement) pursuant to the Credit Agreement or any other Loan Document and all interest, including without limitation Post Petition Interest, with respect to the Obligations and such other amounts.

5. GENERAL

(a) Amendments and Waivers. Subject to the restrictions set forth in Section 3.1.1, any provision of this Note may be amended, modified, terminated or waived only with the written consent of the Noteholder, the Administrative Agent and the Company. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on the Company in any case shall entitle the Company to any further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 5.1 shall be binding upon the Noteholder at the time outstanding and each future holder thereof.

(b) Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitation of, another covenant shall not avoid the occurrence of an Event of Default or Default if such action is taken or condition exists.

(c) Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing and shall be sent by facsimile, overnight courier, registered mail or certified mail. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given, as applicable, (a) upon confirmation of facsimile, (b) one business day following the date sent when sent by overnight delivery or (c) five business days following the date mailed when mailed by registered or certified mail return receipt requested and postage prepaid at the following address:

If to the Company, to:

Sprague Entity
185 International Drive
Portsmouth, New Hampshire 03801
Attention: Paul Scoff, Esq.
Fax: (603) 430-5324

If to the Noteholder, to:

[Name of Axel Johnson Affiliate]
[Address of Axel Johnson Affiliate]
Attention: []
Telephone: []
Fax: []

If to the Administrative Agent, to:

JPMorgan Chase Bank, N.A.
277 Park Avenue, 22nd Floor
New York, New York 10172
Attention: Dan Bueno

Notwithstanding the foregoing, the Company or the Noteholder may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, facsimile, telex, ordinary mail, or electronic mail); *provided, however*, that no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. The Company and the Noteholder may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

(d) Failure or Indulgence Not Waiver; Remedies Cumulative. No failure or delay on the part of the Noteholder in the exercise of any power, right or privilege hereunder or under this Note shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. All rights and remedies existing under this Note are cumulative to and not exclusive of, any rights or remedies otherwise available.

(e) Severability. In the event that any provision of this Note would, under applicable law, be invalid or unenforceable in any respect, such provision shall (to the extent permitted by applicable law) be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, applicable law. The provisions of this Note are severable, and in the event any provision of this Note should be held invalid or unenforceable in any respect, it shall not invalidate, render unenforceable or otherwise affect any other provision of this Note.

(f) Headings. The headings contained in this Note are inserted only as a matter of convenience and for reference only and in no way define, limit or describe the scope or intent of this Note.

(g) Governing Law, etc. This Note shall be governed by and construed in accordance with the laws of the State of New York. Each of the parties hereto hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of New York and of the United States of America located in the Borough of Manhattan for any actions, suits or proceedings arising out of or relating to this Note and the transactions contemplated hereby, and each of the

parties hereto agrees not to commence any action, suit or proceeding relating hereto or thereto except in such courts. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Note or the transactions contemplated hereby or thereby, in the courts of the State of New York or the United States of America located in the Borough of Manhattan, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. In any action or suit to enforce any right or remedy under this Note or to interpret any provision of this Note, the prevailing party shall be entitled to recover its costs, including reasonable attorneys' fees.

(h) Waiver of Jury Trial. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH OF THE PARTIES HERETO HEREBY WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE OR ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS NOTE OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 5.8 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

(i) Delivery. Delivery of an executed signature page of this Note by facsimile transmission or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the executed copies of this Note shall be lodged with the U.S. Borrower and the Administrative Agent.

[The rest of this page intentionally left blank]

The undersigned has caused this Note to be executed by its duly authorized officer as of the date first written above.

[SPRAGUE ENTITY]

By: _____
Name:
Title:

EXHIBIT A

ACKNOWLEDGMENT AND AGREEMENT

Reference is made to that certain Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, extended, renewed, increased, supplemented, refinanced, replaced or otherwise modified and in effect from time to time, the "Credit Agreement"), among Sprague Operating Resources LLC, (the "U.S. Borrower"), Kildair Service Ltd. ("Kildair") and Sprague Resources ULC ("AcquireCo"), as Borrowers, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, together with its successors and assigns, the "Administrative Agent") and the other agents parties thereto. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Credit Agreement.

The undersigned, [Name of Axel Johnson Affiliate] (the "Noteholder"), hereby acknowledges and agrees to the subordination provisions of Section 3 of each note or instrument entered into by any of the Loan Parties with respect to any Axel Johnson Subordinated Indebtedness. Further, the Noteholder shall cause each successor or assign of any of the Noteholder's rights or obligations under any such note or instrument to execute an acknowledgment and agreement in substantially the form hereof.

This Acknowledgment and Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Acknowledgment and Agreement may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Acknowledgment and Agreement by telecopy or electronic transmission (in .pdf format) shall be effective as delivery of a manually executed counterpart of this Acknowledgment and Agreement. THIS ACKNOWLEDGMENT AND AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

[Signature Page Follows]

The terms set forth in this Acknowledgment and Agreement are hereby agreed to:

[NAME OF AXEL JOHNSON AFFILIATE]

By: _____
Name:
Title:

ACKNOWLEDGED:

SPRAGUE OPERATING RESOURCES LLC

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: _____
Name:
Title:

RISK MANAGEMENT POLICY

[Provided Separately]

Sprague Operating Resources LLC

Risk Management Policy

December 5, 2011

- This information is confidential and proprietary to Sprague Operating Resources LLC

TABLE OF CONTENTS

1.	RISK MANAGEMENT PHILOSOPHY, OBJECTIVES AND PROCESS	4
1.1	OVERVIEW	4
1.2	RISK MANAGEMENT PHILOSOPHY	5
1.3	RISK MANAGEMENT OBJECTIVES AND PROCESS	5
2.	ORGANIZATIONAL STRUCTURE ROLES AND RESPONSIBILITIES	7
2.1	OVERVIEW	7
2.2	BOARD OF DIRECTORS	7
2.3	RISK MANAGEMENT COMMITTEE	8
2.4	CHIEF RISK OFFICER	9
2.5	QUANTITATIVE ANALYSIS	10
2.6	CREDIT RISK	11
2.7	MIDDLE OFFICE	11
2.8	CONTRACT ADMINISTRATION	12
2.9	SUPPLY / TRADING AND MARKETING	13
2.9.1	<i>Front Office</i>	13
2.9.2	<i>Trading and Marketing Officers</i>	13
2.9.3	<i>Pricing</i>	13
2.9.4	<i>Trading Leaders</i>	14
2.9.5	<i>Traders</i>	14
2.9.6	<i>Market Leaders</i>	15
2.9.7	<i>Marketers</i>	15
2.10	SUPPORT FUNCTIONS	16
2.10.1	<i>Back Office</i>	16
2.10.2	<i>Operations Accounting</i>	16
2.10.3	<i>Information Technology</i>	16
2.10.4	<i>Legal</i>	17
2.10.5	<i>Tax</i>	18
2.10.6	<i>Internal Audit</i>	18
3.	COMPLIANCE AND ENFORCEMENT	19
3.1	REPORTING INCIDENTS OF NON-COMPLIANCE	19
3.2	SANCTIONS	19
3.2.1	<i>Examples of Sanctions</i>	20
3.2.2	<i>Fraud or Willful Acts of Misrepresentation</i>	20
4.	VALUATION, RISK MEASUREMENT AND CONTROL	22
4.1	VALUATION FREQUENCY	22
4.2	VALUATION DATA SOURCES	22
4.3	VALUATION RESERVES	22
4.4	PORTFOLIO DEFINITIONS	22
4.5	MARKET RISK LIMITS	24
4.6	POSITION LIMITS	25
4.7	STOP LOSS LIMITS	28
4.8	VALUE AT RISK LIMITS	28
4.9	CREDIT LIMITS	28

CREDIT RISK	29
CONTROL PROCESSES	30
6.1 <i>MANAGEMENT REPORTING</i>	30
6.2 <i>OFF-PREMISES / AFTER HOURS TRANSACTIONS</i>	30
6.3 <i>CONFIRMATIONS</i>	30
6.4 <i>PERSONAL ACCOUNTS</i>	30
6.5 <i>CONTRACT SIGNATURE AUTHORIZATION</i>	30
PROCESSES FOR NEW PRODUCTS, NON-STANDARD TRANSACTIONS, AND ELECTRONIC TRADING SYSTEMS	32
7.1 NEW PRODUCT	32
7.1.1 <i>Definition of New Product</i>	32
7.1.2 <i>New Product Objectives</i>	32
7.1.3 <i>New Product Approval Process</i>	33
7.2 NON-STANDARD TRANSACTION	34
7.2.1 <i>Definition of Non-Standard Transaction</i>	34
7.2.2 <i>Non-Standard Transaction Approval Process</i>	35
7.2.3 <i>Electronic Trading Systems</i>	36
EXHIBIT 1 — APPROVED PRODUCTS LIST	38
EXHIBIT 1 — APPROVED PRODUCTS LIST (CONT.)	39
EXHIBIT 2 — PRODUCT DEFINITIONS	40
EXHIBIT 2 — PRODUCT DEFINITIONS (CONT.)	41
EXHIBIT 2 — PRODUCT DEFINITIONS (CONT.)	42
EXHIBIT 3 — MARKET RISK LIMIT STRUCTURE	43
EXHIBIT 4 — SAMPLE NEW PRODUCT APPROVAL FORM	44
EXHIBIT 4 — SAMPLE NEW PRODUCT APPROVAL FORM (CONT.)	45
EXHIBIT 5 — EMPLOYEE CONFIRMATION	46
EXHIBIT 6 — MANAGEMENT REPORTS & CONTROL PROCESSES	47
EXHIBIT 6 — MANAGEMENT REPORTS & CONTROL PROCESSES (CONT.)	48
ATTACHMENT 1 — SPRAGUE RISK MANAGEMENT ORGANIZATION	49
ATTACHMENT 2 — APPROVED PHYSICAL OIL PRODUCTS	50
ATTACHMENT 3 — AUTHORIZED OIL TRADERS AND INSTRUMENTS LIST	61
ATTACHMENT 4 — AUTHORIZED NAT GAS TRADERS AND INSTRUMENTS LIST	66
ATTACHMENT 5 — APPROVED MATERIALS HANDLING PRODUCTS	70

I. RISK MANAGEMENT PHILOSOPHY, OBJECTIVES AND PROCESS

I.1 Overview

Sprague Operating Resources LLC ("Sprague" or "the Company") is a Delaware limited liability company engaged in the purchase, storage, distribution and sale of refined petroleum products, and natural gas and also provides storage and handling services for a broad range of materials. We are one of the largest independent wholesale distributors of refined products in the Northeast United States based on aggregate terminal capacity. We own and/or operate a large network of 15 refined products and materials handling terminals strategically located throughout the Northeast. We also have access to approximately 50 third-party terminals in the Northeast through which we sell or distribute refined products.

Sprague operates its business and reports results under three business segments: refined products, natural gas and materials handling. The refined products segment purchases a variety of refined products, such as heating oil, diesel fuel, residual fuel oil, kerosene, jet fuel and gasoline (primarily from refining companies, trading organizations and producers) and sells them to our customers. The wholesale customers resell the refined products we sell to them and commercial customers consume the refined products we sell to them. The wholesale customers consist largely of home heating oil retailers and diesel fuel and gasoline resellers. The commercial customers include federal and state agencies, municipalities, regional transit authorities, large industrial companies, hospitals and educational institutions. Although for internal purposes Sprague separates its refined products and natural gas businesses into smaller components (e.g. Supply and Marketing), it consolidates results of these groups for reporting purposes.

With respect to its refined products (a.k.a. oil) and natural gas businesses, Sprague enters into a variety of transactions including exchange-traded futures and options contracts and various over-the-counter derivative instruments that may result in physical delivery or are settled financially. In order to manage the risks associated with its core business activities, Sprague has centralized its supply and trading activities into its Portsmouth, NH headquarters.

The Supply and Trading mandate consists of the following:

1. **System Related Activities:** Management of commodity supply requirements and commitments (and the associated price risks) arising from the following core business activities:

Refined Products (Oil) Marketing: As indicated, Sprague has an extensive network of refined products terminals along the U.S. East Coast, providing the foundation for its refined products marketing activities. As indicated, in addition to the Sprague-operated terminals, Sprague markets products from a range of 3rd-party facilities. Sprague's annual Oil Marketing sales are nearly 30 million barrels.

Refined Products (Oil) Supply: The key role of the Oil Supply group is to provide supply to support Sprague's Oil Marketing system requirements. Included is supply at the facilities owned or operated by Sprague as well as a large number of third-party locations. A significant part of Sprague's Oil Supply profitability is typically related to meeting system supply requirements, e.g. optimizing the timing of purchases in the physical (a.k.a. cash) markets when oil product basis levels are lower than sales that have been or will be completed by Oil Marketing. In addition, a key focus of Oil Supply is management of the hedges and associated futures / swaps contract rolls associated with the refined products inventory.

Natural Gas Marketing: Sprague's Natural Gas Marketing business is focused on delivering natural gas to industrial and commercial customers, primarily in the Northeast United States. Marketing obtains its supply exclusively from Sprague's Natural Gas Supply group and sells natural gas via a range of contract types, including various kinds of forward contracts. Annual Natural Gas Marketing sales are over 50 BCF.

- d. **Natural Gas Supply:** A primary role for the Natural Gas Supply group is to procure and deliver the supply needed for Marketing's industrial and commercial customers. All of Natural Gas Marketing's supply requirements are met by Natural Gas Supply.
- 2. **Discretionary Trading:** Entering into contracts with the objective of generating profits on or from the exposure to shifts in market prices. In general, this is a limited activity at Sprague, as described below.
 - a. **Oil Supply:** Oil Supply can take discretionary positions, including both physical and financial. These positions are generally based on capitalizing on Sprague's analysis and assessment of the fundamental supply / demand environment and other pertinent market knowledge leading to a view of the forward market, though are not specifically required to meet system supply requirements.
 - b. **Natural Gas Supply:** In addition to meeting Natural Gas Marketing's requirements, Natural Gas Supply also sells natural gas to wholesale customers (resellers) as well as to gas utilities and power generation facilities. Natural Gas Supply does not undertake discretionary trading, rather focuses on meeting wholesale supply commitments in a timely and cost effective manner.

1.2 Risk Management Philosophy

It is the general philosophy of Sprague to hedge risks associated with its core business activities. Additionally, Sprague may assume risk within approved limits in order to grow the business and increase earnings. However, taking risks outside of approved limits is not permitted without prior approval of the Risk Management Committee ("RMC").

1.3 Risk Management Objectives and Process

The objective of the risk management program at Sprague is to identify, measure, monitor, and control Sprague's major risks (primarily market, credit and operational risk, recognizing that physical operations risks, liquidity risks, and business risks are not explicitly addressed in this policy) on a timely basis to better manage the business, thereby optimizing the Company's financial performance. See Section 2.3 for definitions of the major risks.

Managing of these risks is achieved through determination of the Company's financial objectives and risk tolerance, optimal allocation of risk capital to the Company's business activities, an appropriate system of internal control systems and processes and the prudent actions of Sprague's management, traders and staff.

Sprague's Risk Management Policy and related documents i.e., policies, procedures, model documentation, etc. (collectively the "Risk Management and Control Documents") establish standards for monitoring and controlling the financial risks associated with Sprague's core businesses. The policy includes controls associated with asset optimization, hedging, marketing and discretionary trading activities. These documents codify Sprague's control practices and therefore reduce the likelihood of sustaining material unanticipated losses. It is expected that the policy will be updated as necessary based on developments either within or outside the company. This Policy does not constitute a contract or agreement with employees or contract workers and may be modified or withdrawn at any time at the Risk Management Committee's sole discretion, consistent with any obligations contained in Sprague's credit facility.

The risk management process includes the following key elements:

- A. Identifying risks;
- B. Measuring and assessing risks;
- C. Establishing risk limits and guidelines;

- D. Executing transactions and strategies properly, consistent with Sprague's risk tolerance;
- E. Recording positions and processing transactions properly;
- F. Validating policies, guidelines, procedures, methodologies, and models on an ongoing basis; and
- G. Monitoring performance against approved limits and targets.

2. ORGANIZATIONAL STRUCTURE ROLES AND RESPONSIBILITIES

2.1 Overview

In accordance with prevailing industry practice, lines of authority and responsibility for managing and controlling risk for trading, commercial and operations are clearly delineated. In particular, the appropriate separation between the transacting, risk monitoring/reporting and settlement/accounting functions is maintained through a three-office structure (front, middle and back offices). In addition, the Risk Analysis and Control function ("Middle Office") will report and monitor exposures and limits independent of the commercial business functions. It is the responsibility of senior management and the RMC to ensure that appropriate segregation of duties is maintained in the context of organizational changes.

Risk monitoring of operational, health, safety and environmental matters is divided between operational line management, senior management of Sprague and the Legal Department.

Risk management and internal control are the responsibility of all Company personnel. An essential element of a strong risk control framework is the recognition by all employees of the need to carry out their responsibilities effectively and to communicate to the appropriate level of management any problems in operations, instances of non-compliance, or other violations. As it relates to Sprague's transacting activities, prohibited activities include, but are not limited to the following:

Wash sales², roundtrip trades, offsetting transactions, or transactions that attempt to artificially inflate volume or revenue;

Transactions or strategies specifically prohibited by the various regulatory agencies having jurisdiction over our business.

Any employee that becomes aware of such behavior or is contacted by a third party and requested to engage in such behavior should report such incidents in accordance with Section 3.1 of this Policy.

2.2 Board of Directors

The Axel Johnson, Inc. ("AJI") Board of Directors ("Board of Directors") is ultimately responsible for overseeing all activities of Sprague. In the context of risk management oversight, this body will define the risk tolerance (overall limits) of the Company and ensure that appropriate systems, processes and internal controls are in place to measure, monitor and manage the Company's risk exposure, in particular market, credit and operational risk.

The Board of Directors has in turn delegated authority and responsibility to the Risk Management Committee and certain Officers of the Company for the bulk of the risk oversight function (see section 2.3). Changes in the overall risk exposure limits (e.g., VaR, stop loss, outright positions) and maximum credit limits must still be approved by the Board of Directors. Note that although discussions and communication with the Board of Directors is referenced in this policy, the common approach will be for Sprague to conduct the direct communication with Axel Johnson, Inc. President or designee. Subsequent communication with other Board of Directors members will be either done directly or managed by the AJI President.

I This document refers to specific positions and titles currently in place within Sprague. If the titles change due to factors such as promotions or changes in scope, the title changes would not affect the defined roles, responsibilities, etc.

² FERC defines such transactions as those involving the intentional and simultaneous purchase and sale of an energy product to another company at the same price at the same delivery point

2.3 Risk Management Committee

The Risk Management Committee ("RMC") maintains general oversight of all risk taking and risk management activities of the Company, including:

Market risk related to commodity prices, foreign exchange rates and interest rates. The primary component of this risk for Sprague is the exposure to commodity price volatility and the potential for financial losses;

Credit risk. This risk reflects the exposure to credit quality of Sprague's counterparties and the potential for non-performance of their obligations;

Physical operations risk. This risk reflects the range of exposures that are associated with Sprague's physical operations, primarily within terminals and trucking. Key exposures include health, safety, and environmental areas as well as the risks associated with not meeting customer obligations;

Operational risk. This risk refers to having inadequate systems and control processes as well as explicit items such as fraud and human error;

Liquidity risk. This is essentially a financial risk due to uncertain liquidity, e.g., if cash outflows are too large relative to cash inflows and available credit lines. Liquidity issues can also occur due to significant ownership of assets with low liquidity; and

Business risk. This reflects the range of standard risks of operating a business, including factors such as uncertainty in product demand, legal risk, and regulatory risk.

The RMC has authority and responsibility for:

Monitoring all risk taking and risk management activities of the Company;

Ensuring development and communication of appropriate Risk Management and Control Policies and ensuring that such documents are updated periodically, as needed;

Ensuring that Risk Management and Control Documents are adhered to;

Ensuring that appropriate internal control processes are established and adhered to;

Reviewing and approving new products, trading instruments and entry into new markets;

Reviewing and approving proposed interest rate risk management strategy, e.g. proportion of fixed and floating instruments;

Monitoring adequacy of staffing of resources devoted to commercial and risk management activities and ensuring that clear lines of authority and responsibility exist for assessing, measuring, and managing risks;

Curtailing or suspending trading activities, if necessary due to out of compliance actions, processes or results;

Ensuring that RMC actions and decisions are properly documented and acted upon in a timely manner;

Ensuring the development of appropriate systems for recording, monitoring and reporting the results of trading and exposure management activities; and

Reviewing and approving all changes to the Risk Management Policy, with the following exceptions.

RMC changes requiring approval of the Board of Directors:

Overall risk exposure limits (e.g., VaR, stop loss, outright positions); and

Maximum credit limits.

The Sprague Operating Resources LLC President and CEO is authorized to appoint a Chairperson and a Secretary to the Risk Management Committee to be confirmed by the Board of Directors. The current makeup of the RMC is as follows:

President and CEO (committee chairperson);

Chief Operating Officer / Chief Financial Officer (committee vice-chairperson);
General Counsel (committee secretary);
VP, Oil Trading, Pricing and Customer Service
VP, Sales
VP, Operations,
VP and Chief Information Officer; and
Chief Risk Officer.

Other participants can be invited for particular meetings depending on the planned topics. Potential participants include employees with direct responsibility for key elements of risk within the Company such as the VP Oil Trading, VP Natural Gas, and Managing Director(s) Sales. In addition, the AJI President and CEO is expected to be a frequent participant, depending on scheduling constraints and the planned discussion topics.

The RMC is expected to meet approximately bi-monthly, or more frequently as needed. A meeting may be conducted in person or via conference call. *Five RMC members or their designees must be present in order to constitute a quorum. The members required to be present in order to constitute a quorum are:*

Chief Risk Officer (CRO);
President and CEO (or designee);
Chief Operating Officer / Chief Financial Officer (COO / CFO) [or designee];
VP, Oil Trading, Pricing and Customer Service (or designee); and
VP, Sales (or designee).

Note that any overlap in the designees is limited to a maximum of two of the five "quorum" members, i.e. a minimum of three of the five members listed above must participate in the bi-monthly meeting either in person or by phone. If there are time sensitive issues that need to be addressed, the CRO can address directly with the President / CEO and/or the COO / CFO outside of the regular meetings. For these discussions other Sprague participants will be included as appropriate.

Agendas for each RMC meeting are determined by its members. At any time, a member has the right to call a meeting by giving advance notice to the other members. A quorum must be present for any business of the RMC to take place. RMC actions may be approved by a positive vote from the Chief Risk Officer along with a simple majority vote of the quorum and shall be recorded in the minutes of the meeting. Minutes will be taken by the Secretary and distributed to Committee members and other appropriate personnel with a copy to be kept on file in the Legal Department. If the General Counsel or a designee is not a participant at the meeting, it is the responsibility of the Chief Risk Officer to take and distribute minutes from the meeting.

2.4 Chief Risk Officer

The Chief Risk Officer assists the RMC in fulfilling its responsibilities and serves management and the Board of Directors through the following risk control responsibilities:

- Providing risk management oversight including identifying and classifying material risks facing the company;
- Establishing uniform standards within the Company for risk assessment and measurement, including reporting requirements and valuation techniques (excluding valuation standards of acquisitions / investments which are the responsibility of the COO / CFO);
- Developing and implementing an effective and efficient risk control infrastructure and improving the effectiveness and efficiency of internal controls;

- D. Designing and implementing market risk and credit risk measurement methodologies, procedures, and report formats with the assistance of Front Office, Back Office and Support personnel;
- E. Overseeing model development, validation and testing processes to ensure that market and credit risks are appropriately quantified;
- F. Responding to risk assessment by assisting Front Office personnel in devising strategies for mitigation and/or transfer of risk;
- G. Validating and approving (with assistance from third parties, if necessary) valuation models/algorithms, forward price curves, price models (where market quotes are not available) and related assumptions and providing independent valuation of Supply / Trading and Marketing activities;
- H. Overseeing compliance with this Policy and related procedures and communicating any deviations and limit breaches to the RMC as appropriate;
- I. Working with Trading Leaders, ensuring that appropriate immediate and short-term portfolio actions are taken in the event that a risk limit is exceeded;
- J. Presenting the status of risk management and risk monitoring systems and processes to the RMC on a regular basis; and
- K. Leading the risk assessment of business opportunities such as acquisitions / divestments.

The Chief Risk Officer also leads the Risk Management Department (ATTACHMENT 1). This group's primary direct risk role is for the Middle Office activities, though Insurance also reports into Risk as well as the Financial Planning and Analysis function. In addition to the Sprague organization and reporting structure, the Chief Risk Officer also has a direct reporting relationship to the Board of Directors. In this structure, the Chief Risk Officer has the ability to report any issues directly to the Board of Directors without additional Sprague review if the Chief Risk Officer considers it necessary.

2.5 Quantitative Analysis

The Supply / Trading and Marketing groups are expected to work with the Middle Office and Quantitative Analysis to develop report formats and methodologies for transaction valuation and risk measurement. The Chief Risk Officer will review and approve such formats and methodologies. The Middle Office will, in turn, use the approved methodologies and formats for accurate transaction valuation, risk measurement, and reporting.

Responsibilities include the following:

- Facilitating development of reports of appropriate risk measures covering Supply / Trading and Marketing activity including, but not limited to, Risk positions, MTM, option Greeks, and VaR; ;
- Validating valuation models through backtesting and/or other reasonable methods;
- Recommending improvements to risk measurement techniques;
- Providing independent analysis of Non-Standard deals as necessary;
- Developing pricing models including forward curves methodologies and new product valuations;
- Providing analytical support as appropriate to support Company initiatives;
- Coordinating with IT, Front and Middle Offices and other relevant stakeholders prior to utilizing new software to ensure stability of Information Services infrastructure; and

- H. When necessary, participating in the formal review and approval process of new products and trading instruments to ensure that they can be measured and managed.

2.6 Credit Risk

The Credit Department is responsible for evaluating the creditworthiness of potential and existing transacting partners and establishing counterparty credit risk limits. Additional responsibilities include establishing credit risk measurement methodologies and monitoring counterparty credit exposure on a daily basis to ensure that counterparty credit limits are adhered to and utilized in a manner consistent with the Company's risk tolerance. Refer to Sprague's Credit Management Policy and related documentation for measurement, management and reporting of Credit Risks. The Credit function reports to Treasury.

2.7 Middle Office

The Middle Office provides a significant level of control and monitoring of the Front Office's activities and, therefore, is independent of the Front Office, reporting to the Chief Risk Officer. The Middle Office function includes assuring data integrity through deal validation and executing the risk monitoring requirements authorized by the RMC. The important control areas and responsibilities include the following:

- A. Collecting market data (prices, volatilities, interest rates, etc.) from independent sources for mark-to-market assessment;
- B. Validating and modeling forward curves for all commodity exposures (market analysis);
- C. Ensuring that the transactions in the Company's Trading and Risk Management System(s) accurately reflect each day's activity by performing daily check out with the daily transaction summary from Supply / Trading and Marketing personnel and broker statements;
- D. Calculating mark-to-market and VaR on a daily basis;
- E. Monitoring compliance with risk limits;
- F. Reporting suspected violations of the Company's Risk Management and Control Documents to the Chief Risk Officer;
- G. Identifying weaknesses and opportunities for enhancement in the control environment, developing solutions and implementing strategies;
- H. Managing the reporting of results by "book" structure to accomplish both Front and Back Office objectives;
- I. Producing and distributing reports on a daily basis showing net positions;
- J. Reporting the realized and unrealized (forward mark-to-market) P&L of executed transactions on a daily, month-to-date, and year-to-date basis; and
- K. Working with Accounting to ensure understanding of any differences in P&L reported by Risk and Accounting results;

A strong segregation of duties must exist between Trading/Marketing and Middle Office activities. The activities of the Middle Office do not replace the traders' and marketers' primary responsibility for assessing the risks associated with their positions and the timely and accurate recording of all transactions with written confirmations and/or on recorded phone lines in accordance with the Company's Contract Administration and Confirmations procedures.

2.8 Contract Administration

Contract Administration has primary responsibility for the administration and maintenance of contracts and agreements related to the trading of all approved commodities. These contracts and agreements include: (i) Master Agreements, (ii) Confirmations based upon such Master Agreements, (iii) Stand-alone Agreements, (iv) One-off Agreements, (v) ISDA Master Agreements for financial derivatives, (vi) Confirmations based upon such ISDA Master Agreements, and (vii) ISDA Long Form Confirmation Agreements for financial derivatives. Additionally, Contract Administration is responsible for the development, negotiation as appropriate, administration and maintenance of other Company contracts and agreements including, but not necessarily limited to, (i) Throughput and or Exchange Agreements, (ii) Electronic Trading Platform Agreements, (iii) Natural Gas Transportation and Storage Agreements, (iv) Assignment and Assumption Agreements, and (v) Other contracts and agreements needed and requested by various Front Office departments. Contract Administration will work in conjunction with the Legal Department to ensure the contracts conform to all Sprague requirements.

Primary responsibilities include:

- Ensuring implementation of the contractual terms and conditions developed and negotiated by the Commercial and Legal departments (and consistent with guidelines provided by the Credit Department) for the above-listed contracts and ensuring the agreements are implemented in the final executed contracts;
- Confirming in writing all term transactions with assistance from Front Office Traders and Marketers;
- Collecting and monitoring third-party trade confirmations, securing assistance from the Front Office where necessary to obtain missing information;
- Coordinating communications and information flow between Sprague traders, marketers, credit, accounting, billing and legal groups and from counterparties;
- Obtaining and maintaining signed copies of daily transactions from Supply personnel confirming that all activity is complete and accurate;
- Initiating and monitoring the development, negotiations, review and execution of agreements and contracts;
- Ensuring that new and existing counterparties have the proper documentation in place;
- Developing and maintaining effective Contract Administration and Confirmations practices;
- Maintaining copies of contracts and confirmations in accordance with the document retention policy.
- Developing procedures for routing and approving counterparties' contracts and making changes to the company's standard contracts; and
- Maintaining various data fields in the Company's Risk Management and Trading systems.

2.9 Supply / Trading and Marketing**2.9.1 Front Office**

Supply / Trading and Marketing (the "Front Office") executes the Company's risk taking and risk mitigation strategies. The Front Office's functions include deal execution, buying and selling, and hedging of physical commodities or financial instruments. The Front Office is responsible for the initial capturing and logging of a transaction's specific terms and conditions, as well as the support role of scheduling. The duties and responsibilities of the Front Office are described below under Trading and Marketing Officers, Pricing, Trading Leaders, Traders, Marketing Leaders and Marketers. Note that the focus of these lists is responsibilities with respect to risk management.

2.9.2 Trading and Marketing Officers

The VP Oil Trading, Pricing and Customer Service, VP Natural Gas and VP Sales ("Trading and Marketing Officers") are responsible for overseeing and directing Front Office line managers to ensure that day-to-day operations are in compliance with the Company's Risk Management and Control Documents. The VP Trading, Pricing and Customer Service, VP Natural Gas and VP Sales report to the Company President and CEO.

Responsibilities include the following:

- A. Ensuring that overall marketing, hedging and trading strategies are consistent with the Company's risk tolerance, profitability targets, limit structure, and control policies;
- B. Managing and guiding Front Office line management to ensure that commodity supply commitments and requirements are achieved;
- C. Ensuring that unwanted market risk is hedged in accordance with the allocation of risk to the business;
- D. Reviewing the effectiveness of hedges on a regular basis;
- E. Directing the overall operations of various segments of the Front Office to achieve defined objectives;
- F. Describing short and long-term market views, business strategies, and corresponding risks to the Board of Directors and the RMC;
- G. Developing and communicating proposed aggregate risk limits and transacting scope to the RMC for approval;
- H. Monitoring market conditions and proactively managing positions in the context of market volatility; and
- I. Maintaining adequate depth and competency of personnel assigned to operating groups.

2.9.3 Pricing

The Front Office pricing desks (oil marketing and natural gas marketing) are responsible for creating a structure for origination deals that optimizes risk-reward profile in accordance with corporate guidelines. This is accomplished by characterizing risks (credit risk, price risk, volumetric risk, etc.) and appropriately pricing transactions to the Company's customers.

Responsibilities of the Front Office pricing desks include:

Ensuring the integrity of transaction pricing, contract structuring and transaction confirmations;
Capturing all transactions in the Company's trade capture and risk management systems in a timely manner; and
Communicating openly with Traders, Middle Office and Credit to facilitate exchange of critical information regarding markets or customers in a timely fashion.

2.9.4 Trading Leaders

Responsibilities of the V.P. Oil Trading, Pricing and Customer Service, VP Oil Supply and V.P. Natural Gas include:

Overseeing all trading activities in their respective departments;
Ensuring that transactions are executed in accordance with approved procedures;
Ensuring the integrity of transaction pricing, contract structuring and transaction confirmations;
Capturing all transactions in the Company's trade capture and risk management systems in a timely manner;
Implementing risk management strategies consistent with the Company's overall hedging policy and approved risk limits;
Developing and implementing same-commodity and cross-commodity hedges and trades to maximize profit potential within such approved limits;
Ensuring traders verify and sign off on position and other appropriate risk management reports;
Ensuring traders remain within their limits; and
Informing the CRO of any suspected violations.

2.9.5 Traders

Responsibilities of Traders include:

- A. Signing off on End of Day reports on a daily basis as required;
- B. Inputting all executed transactions in the Company's Trading and Risk Management System(s) on the calendar day of execution unless it is an approved exception which can apply to non-discretionary trading activity only;
- C. Following up with floor brokers as necessary to address any outstanding issues;
- D. Resolving transaction discrepancy notices received from the Middle Office or Contract Administration by the end of the following business day;
- E. Adhering to all specified limits, e.g., individual transaction authority, open position, VaR, Stop Loss, Credit;
- F. Transacting only with approved brokers and counterparties (approved credit and contracts);

- G. Checking with Contract Administration to ensure that proper documentation is in place prior to trading; and securing approval from the Manager of Contract Administration when documentation is not in place;
- H. Checking the Approved Product List and Authorized Instruments List prior to trading to ensure that contemplated transaction falls within product or risk type approved by the RMC;
- I. Ensuring the counterparty, broker (where applicable) and transaction type have been approved for the respective counterparty;
- J. Conducting all trade execution and trade processing on Company premises utilizing the standard transaction execution script unless the activity is part of normal business practices or they are given explicit authority by their Trading Leader to do otherwise; and
- K. Informing the CRO and the appropriate Trading Leader and Trading and Marketing Officer of any known or suspected violation of this Risk Management Policy.

2.9.6 Market Leaders

Responsibilities of the VP of Sales and Market Leaders include:

- A. Overseeing all marketing activities to ensure transactions are executed in accordance with the Company's Risk Management and Control Documents;
- B. Establishing and optimizing a profitable portfolio of rack and contract business utilizing approved commodities, products and locations;
- C. Avoiding any participation in outright or discretionary trading;
- D. Pursuing strategies with the objective of optimizing risk to reward for all business activities;
- E. Providing sufficient advance notice of anticipated new customers, delivery locations, products or instruments to Supply / Trading and Marketing Officers, Chief Risk Officer and Middle Office;
- F. Ensuring that all marketing transactions are appropriately priced and documented in accordance with the Company's Contract Administration and Confirmations practices; and
- G. Informing the CRO of any suspected violations.

2.9.7 Marketers

Responsibilities of Marketers include:

- A. Ensuring that all transactions are appropriately priced, taking into account the best information available with respect to all material risk factors including credit and volumetric risks. The Company recognizes that in establishing this pricing the trade-off of prices and material risks may often be based significantly on qualitative assessments;
- B. Ensuring that all transactions are appropriately documented in writing in accordance with the Company's Risk Management and Control Documents, including the Contract Administration and Confirmations processes;

- C. Ensuring that all transactions are executed only with pre-approved counterparties, for pre-approved products and at pre-approved locations; and
- D. Informing the CRO and the appropriate Market Leader and Trading and Marketing Officer of any known or suspected violation of this Risk Management Policy.

2.10 Support Functions**2.10.1 Back Office**

The functions of the Back Office include performing processes in support of the Front Office such as accounting, invoicing, dispute resolution, broker reconciliation, accounts receivable and payable, tax reporting and management reporting. The duties and responsibilities of the Back Office are described in the support functions listed below.

2.10.2 Operations Accounting

The Operations Accounting group is responsible for management reporting, transaction processing, billing, and invoice processing. To ensure proper segregation of duties all cash settlements are processed by the Treasury Department. Moreover, Operations Accounting does not control the recording in or reconciliation of the general ledger, but provides assistance in a transparent manner to the Financial Accounting Department which determines the appropriate financial accounting treatment and disclosure for Supply / Trading and Marketing transactions and related exposures. The responsibilities of Operations Accounting encompass comprehensive support of Front Office transactional activities other than position valuation, which is performed by the Middle Office group as discussed earlier in Section 2.7. Specific responsibilities include:

- A. Facilitating the Financial Accounting Department's understanding of Middle Office valuation and related reserves in a transparent manner;
- B. Reconciliation of broker statements with trade information captured in Sprague's systems including to support of month-end reporting requirements;
- C. Completing any hedge accounting requirements if applicable;
- D. Providing management report(s) of monthly P&L and supporting Financial Planning and Analysis (FP&A) and Operating Groups as necessary to develop narrative explanations of significant changes in volumes, margins and mark-to-market amounts;
- E. Reviewing Risk Management & Trading System prior to billing and informing the Middle Office of discrepancies; and
- F. Producing and processing invoices based upon Supply / Trading and Marketing activity and reporting such activity to the Treasury Department for cash collection/distribution.

2.10.3 Information Technology

Responsibilities of ("IT") include:

- Providing business analysis of Front/Middle/Back Office system needs, ensuring balance with the varied interests throughout the corporation;
- Developing business process flow, ensuring efficient, timely, and accurate information to all applicable corporate business units;

- C. Developing design requirements for Information Services ("IS") software development;
- D. Approving any software that interfaces or will interface with the Company's Risk Management and Trading Systems to ensure integration and enable successful support of Supply / Trading and Marketing activities;
- E. Managing various system interfaces, providing focused direction of current support and future needs, recognizing that the business continuity needs will require adequate capital support;
- F. Ensuring all control features established in Risk Management and Trading Systems are fully functional at all times and notifying the Chief Risk Officer and appropriate Supply / Trading and Marketing Officer and Trading Leader when any control feature is not fully functional;
- G. Supporting all IT applications regardless of whether they were involved in the development or not; and
- H. Providing the RMC with updated timetables detailing system improvements that are in development and expected completion dates for each item.

IT provides critical support to the Supply / Trading and Marketing and Risk Management functions by providing:

- A. Voice and data networks;
- B. Data management;
- C. Software architecture development and support;
- D. Physical and logical security of networks, data and applications; and
- E. Business continuity:
 - Change control;
 - Redundancies; and
 - Disaster recovery.

2.10.4 Legal

The Legal Department is responsible for oversight and direction of all legal matters that impact the Company as well as providing advice to Senior Management, business units and supporting departments regarding mergers, acquisitions, divestitures, human resource matters, benefit issues, insurance, contracts, litigation, regulatory compliance, legislative initiatives, new business products and markets. The General Counsel is responsible for oversight and direction of the Health, Safety and Environmental Department and developing appropriate compliance training for the Company at all levels.

Primary responsibilities include:

- Ensuring the Company is in compliance with all laws and regulations in the jurisdictions in which the Company operates;
- Ensuring the Company maintains adequate policies and procedures and training programs to comply with relevant laws and regulations pertaining to the Company's Supply / Trading and Marketing businesses and its Operating, Financial and Human Resource units;

Developing and overseeing the Company's Document Retention Policy as it relates to the Company's Supply / Trading and Marketing businesses and other departments;

Participating in the preparation and review of regulatory filings to ensure compliance with reporting requirements;

Administering licensing programs, file renewals and new license applications with the appropriate federal, state or local agencies or private entities, e.g., marketing licenses;

Drafting, negotiating and reviewing all trade agreements and contracts and ensuring compliance with all laws, regulations, Sprague Policies and changes in market practices;

Advising the Contract Administration and Credit departments on applicable bankruptcy or insolvency laws;

Advising the Contract Administration and Credit departments regarding the procedures necessary to ensure enforceable transactions and adequate documentation;

Developing and administering Confidentiality Agreements; and

Advising Commercial groups and Sprague Management on key contractual exposures.

2.10.5 Tax

Responsibilities and duties include:

- A. Determining the effect of changes in tax laws as it relates to the Company's Trading and Marketing businesses;
- B. Developing hedge identification procedures that meet tax documentation requirements as needed;
- C. Determining the tax effect of transactions; and
- D. Determining the most efficient tax structure for transactions.

2.10.6 Internal Audit

Responsibilities and duties include:

Working with management to understand and enhance as necessary key internal controls;

Coordinate efforts with external auditors, especially in relation to compliance with requirements associated with Sarbanes-Oxley Act; and

Lead efforts to complete independent internal financial and business process audits.

3. COMPLIANCE AND ENFORCEMENT

All corporate officers, members of the Supply and Trading groups, marketers involved with futures / forward transactions, Middle Office staff and managerial personnel in Back Office functions involved with risk management activities are required to sign the Risk Management Policy. Signing the Employee Confirmation form for this Risk Management Policy confirms that the employee has read and understands the risk controls and standards as they relate to Sprague's Supply / Trading and Marketing business. Signing of new Employee Confirmations will be required whenever a significant update of the Risk Management Policy is completed. The CRO will work with the various applicable managers to ensure that all pertinent staff members meet this requirement.

Compliance with these standards is an employment requirement and will be considered in each individual's overall performance evaluation. This includes the execution of day-to-day responsibilities by all personnel discussed as having energy risk management duties, as well as compliance with the Risk Management and Control Documents in their entirety. **Any incidence of non-compliance with this Policy may be considered a violation, and subject to possible sanctions as outlined in Section 3.2.**

3.1 Reporting Incidents of Non-Compliance

All incidents of non-compliance and misconduct are to be reported to the Chief Risk Officer as soon as practicable after the incidence of non-compliance is detected. Failure on the part of a leader to report an incidence of non-compliance by a direct report will itself be considered a violation. Such reports must document the reason why non-compliance occurred.

All violations will be reported to the Sprague President, COO / CFO, General Counsel and Senior Commercial Manager. In addition, they will be reported to the RMC. Those violations considered fraudulent, conscious, willful and/or intentional violation of Company Policy or Procedures are considered severe and must be communicated to the RMC immediately. Note that notification of the President, COO / CFO and General Counsel meets this RMC notification requirement. Examples of such violations are described in Section 3.2.2 below.

To the extent that the Chief Risk Officer does not feel that appropriate actions have been taken to correct violations, the Chief Risk Officer is obligated to communicate these concerns to the RMC. If the condition persists, the Chief Risk Officer should concurrently notify the Sprague President and the Board of Directors.

In the case of a credit risk limit violation, please refer to the Sprague's Credit Management Policy Manual and related documentation.

3.2 Sanctions

Any violation of this Policy may result in an employees' termination. Nothing contained in these Guidelines alters the At-Will employment relationship between an employee and the Company. The Management of Sprague may impose whatever sanction it deems necessary for a violation of this Policy up to and including termination. Lesser sanctions, such as those discussed in this section, are also available to management for use at Sprague Management's discretion.

In cases where non-compliance with this Policy is reported, the RMC may use an independent party to determine whether the breakdown in compliance occurred, and collect any evidence as to who was aware of the non-compliance. A meeting would then be held with the employee's supervisor prior to discussing the issue with RMC.

The Supply / Trading and Marketing Officers and Chief Risk Officer ("Management") are responsible for imposing sanctions on their respective personnel for instances of non-compliance, considering recommendations by Human Resources and the Legal Department. The Chief Risk Officer will inform the Sprague President, COO / CFO, and General Counsel of all instances of non-compliance and the planned sanctions. If there is a disagreement with the planned sanctions, the Chief Risk Officer will coordinate a discussion leading to agreement on the sanctions to be put in place. The outcome of the transaction or situation is not relevant to the determination of sanctions or disciplines. Following are examples of sanctions that could be used.

3.2.1 Examples of Sanctions

Examples of possible sanctions include, but are not limited to the following:

- A. Verbal counseling to employee by supervisory personnel. A record of such counseling will be maintained in the employee's personnel file and consideration given during annual performance evaluation process;
- B. Written warning and verbal counseling to the employee by supervisory personnel. A record will be maintained in the employee's personnel file and consideration given during the annual performance evaluation process;
- C. Suspension from active trading for up to thirty (30) business days, including pay adjustments if deemed appropriate;
- D. Pre-approval of all transacting activity prior to execution by designated supervisory personnel;
- E. Suspension from participation in the bonus structure, incentive compensation plan, etc.; and
- F. Termination.

3.2.2 Fraud or Willful Acts of Misrepresentation

Certain severe violations are explicitly classified as such and must be reported to the RMC immediately. Employees should be made aware that violations of this magnitude would, subject only to the RMC's discretion, result in immediate termination. Examples include but are not limited to the following:

Violating a Confidentiality Agreement willfully;

Transacting in physical or financial transactions for the employee's own (or friends / family member's) account or providing information to others for transacting on the employee's behalf. Note that this restriction is applicable only to Sprague's approved products, i.e. non-approved products and/or other trading instruments are not part of this restriction;

Engaging in transactions knowingly that are in violation of Federal or State regulations (including but not limited to the Securities and Exchange Commission, Commodity Futures Trading Commission and Federal Energy Regulatory Commission);

Falsifying transactions/positions or concealing losses deliberately; and

Violating a position limit deliberately.

Sprague may pursue legal action against those employees who conduct an illegal or criminal act(s) while employed by Sprague which, directly or indirectly, affects the Company and / or its reputation.

Notwithstanding these guidelines, management retains all rights as an At-Will employer to terminate employment with or without cause.

4. VALUATION, RISK MEASUREMENT AND CONTROL**4.1 Valuation Frequency**

The Middle Office performs daily valuation of the Company's Supply portfolios by marking-to-market each transaction. The valuation of those transactions that are difficult to value or are valued outside of the Risk Management and Trading Systems may be estimated for daily purposes. Such transactions must be valued at least weekly. A list of all transactions that reside outside of the Risk Management and Trading Systems will be distributed by the Middle Office Manager on a monthly basis to the Chief Risk Officer, Supply / Trading and Marketing Officers, Trading Leaders and Chief Financial Officer / Chief Operating Officer. An example of a transaction that would fit into this category is a financial derivative whose price is not readily available from standard publications or other industry sources. A digital (a.k.a. binary) option with no published pricing would be a specific example.

4.2 Valuation Data Sources

Data used for mark-to-market calculations must be accurate and consistent. All price and volatility information should be taken at approximately the same time of day (e.g., close of day), preferably from a public data source. If such information must be provided by the Front Office, it will be periodically audited or checked by the Middle Office against the most readily available reasonable proxy.

4.3 Valuation Reserves

Market valuation reserves represent adjustments to estimates of value in order to arrive at an amount that reflects fair market value. Reserves may be required for positions in illiquid markets or for cases where subjective estimates are required. In such cases an appropriate valuation reserve will be made considering bid/ask spreads in nearby markets, the number of players in a given market, etc. Valuation reserves may also be required for complex transactions to consider fully the future costs required in fulfilling the obligations of the transaction.

A form of valuation reserve is the Credit Reserve which is intended to provide a cushion to protect against losses that may be incurred from the insolvency or default of a trading counterparty. Refer to Sprague's Credit Policy and related documentation for more information.

The establishment of valuation reserves will be determined by the Chief Risk Officer in conjunction with the Chief Operating Officer / Chief Financial Officer.

4.4 Portfolio Definitions

All transactions will be assigned to one of eight portfolios:

1) Natural Gas**a) Supply / Trading**

- i) System Supply
- ii) System Optimization
- iii) Discretionary

b) Marketing

2) Refined Products

a) Supply / Trading

- i) System Supply
- ii) System Optimization
- iii) Discretionary

b) Marketing

- A. **System Supply Portfolios:** System supply transactions arise from Sprague's management of the volume and underlying price risk associated with its inventory and/or marketing obligations. Included in this category are: Inventory; Throughputs; Exchanges; 3rd Party Storage; Purchases, Sales; Buy/Sell Transactions; Transportation Agreements and In-house transactions to balance the Marketing Portfolios. Also included in the system supply portfolio are the related financial hedges and forward spread transactions that are used to "pre-roll" inventory or as precursors to subsequent "summerfill" transactions.
- B. **System Optimization Portfolios:** The system optimization portfolios include a range of financial and physical transactions that are used to fine tune system operations and performance. Included in this category can be financial transaction types such as futures, swaps and options or physical activity such as volumes transported by pipeline from the U.S. Gulf Coast. These transactions can be done on either a stand-alone basis or in combinations such as spreads that result in a net balanced volume position. An example would be a Gulf Coast swap transaction put in place with the opportunity to lower the cost on an expected future product delivery requirement. Currently, the System Optimization Portfolio is only relevant for oil transactions, though if the natural gas system (e.g. inventory) grows substantially in the future, there may be a justification to isolate the system supply and optimization portfolio in natural gas also.
- C. **Discretionary Portfolios:** Transactions and positions taken in anticipation of profiting from a market view. In general, this is a limited activity at Sprague with no discretionary trading currently undertaken in support of the natural gas business and modest discretionary activity for oil. As discussed above, there are various transactions undertaken to procure and optimize oil supplies. There will remain some modest volume imbalances, however, since the daily hedges are based on projected sales. In addition to these modest imbalances, there may be some other positions taken within the specified position limits that are not intended as part of a system or hedging requirement. These discretionary positions can be characterized in two high level categories:

Outright positions, i.e. net positions that result in an unbalanced position. Although Sprague tracks the outright positions on a daily basis, it handles long and short positions differently when identifying discretionary outright positions.

- Sprague has ongoing sales requirements as part of its sales activities. As long as the outright long position remains within the risk limits (maximum of 500 KB or 500 NYMEX contract equivalents for oil and 250 NYMEX contract equivalents for natural gas), this position is not considered discretionary, as expected sales requirements can readily consume this volume in a relatively short time period. Consistent with our understanding of tax regulations, these outright long positions are considered part of Sprague's system / system optimization requirements.
- In contrast, outright short positions can be discretionary. If Sprague is going to take a short discretionary position, the transaction(s) are identified as discretionary on the day the positions are taken. The profitability associated with these positions will be tracked separately as discretionary until the positions are closed out.
- In addition to the discretionary short position trades undertaken as a specific strategy, there can be modest short volume imbalances due primarily to the projected daily sales not meeting actual customer volume requirements. These resultant positions will not be part of the discretionary portfolio, as any discretionary trades will be

identified as such on the day the transactions are undertaken. For oil, Sprague's approach to assess any short imbalances is to separate the refined products outright positions into three categories, i.e. distillates, gasolines, and heavy oils (primarily residual fuels). For each of these three groups, an allowable operating tolerance of 100,000 barrels is allowed. If this operating tolerance is exceeded on any day (again noting that each product group is treated separately), then Sprague will take all reasonable commercial steps to promptly balance the position within the tolerance levels, with an expectation that this balancing will generally occur by the close of the next business day. However, if it isn't practical to balance the positions during the next business day due to market conditions or other factors, up to three business days is allowed to get the short positions within the defined operating tolerances. All positions that are part of this operating tolerance will remain part of the system / system optimization portfolios as originally classified.

Other discretionary oil positions are ones that are not associated with either the system supply or system optimization portfolios. As an example, a crack spread (net balanced position between crude oil and refined products such as RBOB and / or heating oil) would generally not be part of a system requirement and would be considered discretionary. Again, these positions will be specifically identified as a discretionary position on the day the trade is undertaken.

As indicated, there are no new discretionary natural gas positions now being taken, with the exception of ones associated with a small legacy leased storage position in the U.S. Gulf Coast. Since there are no new discretionary positions, the full natural gas Supply / Trading portfolio is used when comparing positions with the specified limits. Although no discretionary natural gas positions are taken the positions are still tracked on a daily basis. If an outright short position inadvertently exceeds 100 NYMEX contract equivalents on any day, the same general approach as used for oil will be used to balance the position within the operating tolerance. Again, the expectation is that the position will be brought within the 100 contract tolerance by the close of the next business day, with a maximum of three business days allowed to meet this requirement.

- D. **Marketing Portfolios:** The marketing portfolio houses all transactions associated with the Company's marketing directly to its customers. Transactions in this portfolio include both the direct obligation to the customer as well as the hedging transactions (in-house transactions between Supply and Marketing) to maintain a balanced portfolio. The residual volume and price exposure of the marketing portfolio will be a reflection of any mismatch of the customized wholesale products, which the marketing customers require, and the standardized products available in the wholesale market for hedging. These positions will be minimal and only tracked for internal purposes, as the reported results are consolidated at the Refined Products and Natural Gas levels.

4.5 Market Risk Limits

The market risk measurement methodologies described in this section are the agreed methods for measuring and assessing market risk by the RMC. Such methodologies will be used to ensure that all significant sources of market risk are identified, quantified and reported. Furthermore, the Company has established a risk limit system consistent with the Company's risk management philosophy as defined in section 1.2.

The aggregate limit for the amount of risk to be incurred by Sprague Resources, and the broad structure of the limits is approved by the Board of Directors. The allocation of the aggregate limit to the business units and the structure of more specific limits are approved by the RMC. The Supply / Trading and Marketing Officers determine the further allocation of risk limits across trading and marketing books.

If any of the aggregate limits of the Senior Commercial / Trading Managers are exceeded without obtaining a waiver prior to the breach, a violation occurs and the Chief Risk Officer or designee will notify the

President and COO / CFO. Based on this discussion, the Chief Risk Officer will determine whether to convene a special meeting of the total RMC or a subset of this group to discuss a course of action with the appropriate senior commercial / trading manager(s). Depending on the results of this discussion, a determination will be made regarding any specific steps to cure the violation, either by getting the position within the approved limits (typically within the next day) or by obtaining a waiver from the President/CEO up to his control limit. As long as the aggregate level remains under the Sprague President's limit, there is no requirement that specific actions be taken to adjust the position, though a waiver must always be granted until the position is brought within limits. System Supply and System Optimization activities (refer to Portfolio Definitions above) that are considered necessary to mitigate risk and/or meet obligations can also continue without restriction. If the losses exceed the President's limit, the Board of Directors must also be notified. Depending on the Board of Directors response, actions may or may not be required. Any violation beyond the President/CEO's limit must be cured by the next day unless authorization is provided by the AJI Board of Directors' President or designee.

The following table summarizes the limit authorizations that are required and reporting frequency/responsibility:

<u>Limit Structure</u>	<u>Approved By</u>	<u>Reporting Responsibility</u>	<u>Reporting Frequency</u>
Position Limits	Board of Directors	Middle Office	Daily
Stop Loss Limit *	Board of Directors	Middle Office	Daily
Value-at-Risk*	Board of Directors	Middle Office	Daily
Specific Portfolio Limits	RMC	Middle Office	Daily
Credit Limits	Board of Directors	Director of Credit	Daily

* Discretionary and system optimization trading only

4.6 Position Limits

The oil position limits are divided into outright positions, as well as a range of spread and individual position limits. The outright position limits refers to the net risk position, i.e. includes all physical and financial (e.g. futures and swaps) positions. Examples of outright oil positions would include the following:

- Exchange transactions, such as Heating Oil, Gasoil, RBOB, Natural Gas, and WTI;
- Over-the-Counter (OTC) swaps positions; and
- Cash (physical) positions.

The outright positions for both oil and natural gas are measured on a daily basis, with the limits in place applying to the total portfolio, i.e. the combination of system supply, system optimization and discretionary positions. All of the other position limits in place apply to the combination of the system optimization and discretionary portfolios.

As per of the determination of the positions, Sprague defines "standard" hedging products. In general, basis refers to the price differential between the cash or spot price of a commodity and the price of the nearest month futures or swaps contract. Basis may reflect different time periods, qualities or locations. Consistent with common market practice, for the oil business Sprague uses basis to refer to quality differences. As indicated below, Sprague treats location spreads for oil separate from basis (quality). Note that for the natural gas business, basis typically refers to location, since quality differences are generally not pertinent.

Similar to the oil location spreads, Sprague treats system positions with potential basis exposure differently than discretionary positions. Sprague generally runs a balanced book with the system positions largely hedged with what is considered to be the most appropriate trading instrument. The current "base" hedging instruments are as indicated below, recognizing that they may change in the future depending on product availability and considerations such as liquidity.

Oil Product Group	Base Hedging Instrument
Gasolines	NYMEX RBOB futures contract*
Ethanol	NYMEX RBOB future contract or CBOT ethanol futures contract*
Distillates	NYMEX Heating Oil (HO) futures contract*
Fuel Oils	NYH 1% Sulfur Residual Fuel Oil Swaps

* Could also use comparable swaps contracts

There is no basis spread recorded for any system position hedged with the base hedging instrument. For fuel oil there can also periodically be a strong rationale to use an alternative instrument such as Gulf Coast 3% sulfur fuel oil swaps or crude oil (either WTI or Brent futures or swaps) as a hedge. These instruments could be preferred due to considerations such as liquidity or quality differences. If these alternative instruments are used as a hedge then a cross commodity as well as a location spread (if applicable) is recorded for the position Note, however, that up to 500,000 barrels of residual fuel oil can be hedged with crude oil without counting against the approved cross commodity and location spread limits. Any positions beyond this 500,000 barrel limit would count against the pertinent position limits.

Spreads are defined as offsetting positions which net to a balanced overall position. Although the positions offset, there can still be substantial exposure. As indicated, the oil spread position limits apply to the system optimization and discretionary trading portfolios, i.e. any activities associated with the system supply portfolio are not subject to these additional spread limits. The most notable system supply example for Sprague is the use of forward (a.k.a. deferred) spreads when the heating oil market is in a contango or carry structure. These spreads are completed in anticipation of a subsequent filling of a corresponding volume of oil inventory in the tanks, frequently called summerfill. When the oil is purchased to put in the tanks, the long position of the spread can be closed out, with the remaining short position acting as the hedge on the physical inventory. Another example of a system transaction is a "pre-roll" of the distillate inventory hedge. As indicated earlier, Sprague operates with a substantially balanced book, with the inventory hedged within limited tolerances. For light oil products, the base assumption is that inventory is hedged with the prompt month NYMEX position of the most appropriate oil commodity (see table above). As an example, during the month of December, the base distillate inventory hedge would be a corresponding volume of January NYMEX heating oil contracts. Since these January NYMEX contracts would expire at the end of December, it is necessary to exit the positions prior to month-end. The exit from these contracts is generally accomplished by either closing the position if the hedge volume is no longer needed or "rolling" it to the next month, e.g. in this case purchasing the short January contract(s) and selling a corresponding volume of February contract(s). This process whereby the prompt month hedges are "rolled" to the next month prior to expiration is considered part of the requisite system activity and the positions are included in the System Supply portfolio.

There can also be strong incentive to "pre-roll" an inventory hedge beyond the next month. For example, if the inter-month price spreads appear attractive, a pre-roll can either lock in a gain (when in contango) or limit a loss (when in backwardation) to what is considered an acceptable level. Sprague can pursue this strategy depending on the current and expected market conditions. Since these pre-rolls are pursued in

support of the system requirements, they are also included in the System Supply positions. The position limits recognize this pre-roll option up to a maximum of three million barrels (President's limit) and up to two additional months forward beyond the prompt month roll. Based on the example cited in the paragraph above, the January inventory hedge could be pre-rolled up to April and be considered a system supply pre-roll rather than a system optimization position. Any pre-roll beyond this time frame is considered part of the System Optimization portfolio and subject to the additional position limits imposed on the combination Discretionary plus System Optimization positions.

Note that the pre-rolls are in concept quite similar to the forward spreads discussed above. A key difference is that the pre-rolls refer to positions where the "long" side of the spread is a cash position rather than a forward month paper position.

The oil spread limits on the combination Discretionary plus System Optimization positions are divided into four categories, again with potential positions on the exchanges, OTC, or cash markets:

- Time spreads, i.e. based on the same commodity in different time periods;
- Location or geographical spreads, based on the same or similar (e.g. heating oil and gasoil are considered similar) commodity in different locations;
- Basis spreads, based on a spread between the same or similar physical commodity and futures or swaps contract; and
- Cross Commodity spreads, based on different commodities, e.g. heating oil / crude oil positions or a heating oil / natural gas spread. Note that if residual fuel oil is hedged with crude oil (WTI or Brent), no cross commodity spread is calculated as these instruments can be the preferred hedge instrument due to liquidity or other considerations.

Option trading is approved for exchange (NYMEX or ICE) and OTC options for Oil Supply / Trading. Natural Gas Supply / Trading has natural gas options trading approval, though only for system transactions.

The Oil group is authorized to trade natural gas cross commodity spreads, though only as part of a hedge. As an example, a residual fuel oil / natural gas spread trade could be used to "lock in" the economics of a capital project designed to convert fuel usage from residual fuel to natural gas. This type of transaction would be measured as part of the system trading portfolio, though would need to be specifically documented as such.

In addition to the total oil spread limits, Sprague recognizes individual spread position limits on the System Optimization plus Discretionary positions. These limits are put in place to help recognize that concentration in individual spread positions can carry additional risk compared to a more diversified portfolio.

Similar to many other companies, Sprague aggregates all forward natural gas market risk into high level components for position management and hedging purposes. This approach groups positions with similar risk profiles to establish market exposure. The position limits are based on this breakdown:

- **Fixed Position:** All forward positions containing risk that is impacted by the settlement of the NYMEX Natural Gas contract. This risk can be offset using NYMEX Natural Gas futures or OTC look-alike instruments;
- **Basis Positions:** Forward positions that contain risk impacted by the location differential between a published index point and the NYMEX natural gas futures settlement; and
- **Index Positions:** Forward physical positions and swaps that are priced relative to a published index, e.g. Platts IFERC.

The Company utilizes VaR limits (see section 4.8), but not as the sole measure and control of market risk. In both oil and natural gas, the VaR limits are based on the system optimization plus discretionary positions only (i.e. system supply excluded). Note that the oil book can have a large system position due to the substantial physical infrastructure. The VaR associated with the oil system may not be routinely calculated, though the overall market risks are primarily monitored through the use of items such as the outright and

basis positions, inventory levels, forward sales commitments and the product mix distribution. VaR limits are supplemented with additional risk measures and position limits with respect to particular strategies and commodities. These can include duration (tenor) limits, and limits related to specific stress tests. The structure of specific market risk limits for oil and natural gas is presented in EXHIBIT 3. In addition, the Company monitors the trends in the VaR values to help assess any major changes in the level of market risk in place. The Middle Office can propose additional or alternative limits as appropriate. Any changes which potentially increase the level of overall risk will require approval by the Board of Directors.

4.7 Stop Loss Limits

For the Oil Supply / Trading business areas, an aggregate threshold is set on cumulative margin losses for the combination of System Optimization and Discretionary positions on a monthly basis. The System Supply activities that directly support the oil system (primarily Sprague-owned terminals) requirements are not subject to a daily VaR limit. In contrast, the complete Natural Gas Supply / Trading positions are part of the daily VaR calculation, as they essentially represent the existing imbalances that exist within the daily position balancing activities, since there are no specific discretionary positions taken. For the purposes of the above thresholds, losses (or reserves) due to a counterparty's failure to perform will be excluded. Both realized losses and unrealized ("mark to market") losses in the Supply / Trading portfolios will be taken into account when computing the cumulative loss.

For purposes of the threshold, the losses will begin to accumulate on the first day of a calendar month. A net loss from the prior calendar month will be carried forward and added to the current month's losses. However, gains in the prior calendar month will not carry forward to the current month for stop loss purposes. After a month occurs with a positive margin, all carryforward losses from prior months for this calculation will be reset to zero. In addition, the carryforward losses from prior months are reset to zero following any month when a Stop Loss limit is breached (i.e. a MAT occurs).

In an instance when the aggregate Stop Loss limit exceeds the President's authority level, the Chief Risk Officer will also notify the AJI President on the background of the losses and any remedial actions.

4.8 Value at Risk Limits

In the Oil Supply area, Sprague currently applies a \$1.5 million daily "Value-at-Risk" (VaR) metric to the combination of the System Optimization and Discretionary portfolios. This limit is based on a 95% confidence interval and a one-day holding period to calculate daily VaR. The Natural Gas Supply group uses a \$0.75 million daily VaR for its daily Natural Gas Supply/ Trading positions, again based on a 95% confidence interval and a one-day holding period. The System Supply activities that support the Oil business (primarily Sprague-owned terminals) requirements are not subject to a daily VaR limit. In contrast, the complete Natural Gas Supply / Trading positions are part of the daily VaR calculation, as they simply represent the existing imbalances that exist within the daily position balancing activities, since there are no discretionary positions taken. If there are any instances where the daily VaR calculation is unavailable, the Middle Office will rely on the previous calculation and also consider the approximate impact of any major position or market price changes when assessing VaR compared to the approved limit.

4.9 Credit Limits

Credit limits are established and approved as per the standard Sprague Credit Management Policy and processes.

5. CREDIT RISK

In order to protect the capital allocated to its transacting activities, Sprague Energy Corp. has developed guidelines for measuring, monitoring and managing the inherent credit risks across the various activities of its Supply / Trading and Marketing. Refer to the Sprague Credit Policy Manual and related documentation for information pertaining to Credit Risk Management.

6. CONTROL PROCESSES**6.1 Management Reporting**

The Board of Directors may request periodic reports prepared by the Chief Risk Officer which indicate the levels of risk being undertaken by the Company, the degree of compliance with policies, procedures and limits, and the financial performance of the various physical and financial transacting activities.

In addition, internal or external audit reports covering the Supply / Trading and Marketing and/or Risk Management functions may be reviewed by the Audit Committee of the Board of Directors and, based upon their review significant issues of concern should be drawn to the attention of the Board of Directors.

EXHIBIT 6 summarizes standard reports to be produced, their frequency, responsibility for production, and distribution.

6.2 Off-Premises / After Hours Transactions

All Natural Gas and Oil Supply Traders and Schedulers are granted authority to complete transactions within their normal course of business outside of the office and outside of normal business hours. This authority can also be extended to specific Oil Marketers or Traders that would regularly conduct futures / forward transactions outside of normal business hours. It is the responsibility of the specific employee to ensure that all transactions are entered into the appropriate commercial system as soon as practical, in all cases expected by at least the end of the next business day.

If a trader or marketer who does not fit into the category identified above and is not normally authorized to transact off-premises or after hours, he/she must receive pre-authorization from his/her Trading Leader. The Trading Leader will grant such authorization on a case by case basis and document the specific exception to this procedure.

6.3 Confirmations

The use of written confirmations and/or other appropriate documentation such as e-mail or other on-line communication tools are generally used to confirm transactions, supported if available by recorded phone lines. Exceptions must be approved and documented by the responsible Trading Leader and reported to the Chief Risk Officer. Unless there is an appropriate reason for an exception, the standard protocol is for the signed confirmations from 3rd-parties to be sent to the Contract Administration group.

6.4 Personal Accounts

Traders must not engage in trading any of the commodities listed in EXHIBIT 1 outside of their responsibilities at Sprague Energy Corp. This policy does not restrict trading of other instruments such as equities, equity options or non-approved commodities and related trading instruments. It also does not restrict trading in funds that utilize commodities in their portfolio of assets.

6.5 Contract Signature Authorization

The following information identifies the signature authority typically applicable for key contract types. Note that it is not intended to override any signature authority already provided by the Board of Directors. Also note that the Sprague President / CEO has authority to sign all of the contracts identified below and the CRO can sign all contracts listed below with the exception of ones that require COO / CFO or President / CEO approval.

- A. **Vice President of Oil Trading, Pricing and Customer Service:** Signature authority for all Oil Supply / Trading Agreements, with the exception of those requiring AJI Guarantees (requires AJI signature) and margin (collateral) provisions (requires COO / CFO signature). The VP of Oil Trading, Pricing and Customer Service can delegate signature authority to the VP Oil Supply for contracts in the Oil Supply area.

- B. **Vice President of Sales:** Signature authority for all Oil Marketing Agreements, with the exception of those requiring AJI Guarantees (requires AJI signature) and margin (collateral) provisions (requires COO / CFO signature). The VP of Sales can delegate signature authority to the Managing Directors of Oil Marketing for contracts in their respective areas.
- C. **Vice President Marketing and Materials Handling:** Signature authority for all Materials Handling Agreements, with the exception of those requiring AJI Guarantees (requires AJI signature) and margin (collateral) provisions (requires COO / CFO signature).
- D. **Manager of Contract Administration:**³ Signature authority for all confirmations, including ones which have been reconciled with the deal information entered by the Front Office or are electronically generated based on data entered by the appropriate member of the Front Office. Note that in practice the confirmations will typically be signed by the appropriate Front Office member with signature authority.
- E. **Responsible Trader or Marketer:** Review all Confirmations, including ISDA Long Form Confirmation Agreements and One-off agreements, regardless of which of the above individuals signs the agreement, which shall include a review/approval and a related signature by the responsible Trader or Marketer.

³ For backup purposes, if the Manager of Contract Administration is not available the Treasurer, Chief Risk Officer or Chief Operating Officer / Chief Financial Officer can sign all agreements listed under the authority of the Manager of Contract Administration.

7. PROCESSES FOR NEW PRODUCTS, NON-STANDARD TRANSACTIONS, AND ELECTRONIC TRADING SYSTEMS

7.1 New Product

7.1.1 Definition of New Product

A New Product is defined as any physical or financial transaction or exposure that: 1) is not listed on EXHIBIT 1: APPROVED PRODUCTS LIST; or 2) exposes Sprague to risks (e.g., Market, Liquidity, Credit, Operational, Legal, Regulatory, Accounting, Tax) to which the Company has not been previously exposed. Exposure to pre-existing approved risk types in significantly different ways (e.g., significantly different geographic location, market structure, or contract terms) would also constitute a New Product. For example, trading refined products in Singapore would constitute a new geographic location, which would require review through the new product process. Note that although adding a new customer always exposes the company to new credit risk, this stand-alone activity does not constitute a new product. An example form that can be used by the sponsor of a new product is included as EXHIBIT 4.

The APPROVED PRODUCTS LIST as shown in EXHIBIT 1 is separated into Oil, Natural Gas, and Materials Handling. In addition to the general listing of the products, more detailed matrices are included in ATTACHMENTS 2 through 5. The oil and gas product matrices in ATTACHMENTS 3 and 4 list approved instruments by trader or marketer. The approved Materials Handling products matrix in ATTACHMENT 5 is shown by terminal and based on products that have been previously, are currently, or are now under consideration for handling at specific terminals.

7.1.2 New Product Objectives

The Supply / Trading and Marketing Officers are responsible for identifying the exposures of New Products and services and ensuring that the following objectives have been met:

The risks and rewards associated with the product or service are identified, analyzed and understood;

Any conflicts or overlaps with existing business are identified and evaluated in relation to the new product or service before proceeding;

The necessary support and control infrastructure can be put in place in a timely manner to permit smooth and well-controlled operation; and

The pace of expansion is consistent with the capacity to measure, monitor and manage the associated risks.

The responsible Supply / Trading and Marketing Leader will review and consider these and other pertinent issues. If, in his/her opinion, the request meets the stated objectives and is consistent with the Company's stated business vision and strategies, the Supply / Trading and Marketing Leader will request approval identifying the type of information included in the example New Product Approval Form (EXHIBIT 4). The Chief Risk Officer will perform a high level review of the New Product request to determine if the proposed New Product is not covered on the Approved Products list and needs to go through the New Product Process. As part of this review the CRO will discuss with the President and/or the COO / CFO as deemed necessary. The guidelines defined below will be used if the proposed product needs to go through a formal New Product Approval process.

7.1.3 New Product Approval Process

The appropriate Supply / Trading and Marketing Officer will sponsor any New Product request. Once the sponsor has reviewed the request and desires to proceed with a formal review and request for approval, it is the responsibility of the Supply / Trading and Marketing Officer and the Chief Risk Officer to coordinate the New Product Approval process.

The following departments will generally be required to review and understand the New Product request, though in some cases the Chief Risk Officer may determine that the review of a specific department(s) is not required. Each department will be required to identify any concerns and, where appropriate, identify necessary changes to address those concerns in order to accommodate the new product:

- A. Credit
- B. Legal
- C. Tax
- D. Accounting (financial accounting, operations accounting, invoicing/billing, tax)
- E. Contract Administration
- F. Trading Leader(s)
- G. Operations (logistics, scheduling, nominations)
- H. IT
- I. Treasury
- J. Insurance
- K. Middle Office
- L. Operations
- M. Health, Safety, and Environmental

If a representative of these departments has concerns with the New Product, these concerns must be communicated to the sponsor of the transaction and the Chief Risk Officer. Among the information that may be required on the New Product Approval request are the following items:

- A. Product overview, features, benefits to Sprague (including target market, expected/upside/downside scenarios);
- B. Start-up costs (infrastructure/system changes, new hires, licenses, collateral);
- C. Description of risks (types of market risks, types of credit risks, etc.), measurement and reporting methods and required controls;
- D. Proposed limit structure (e.g. volumetric, tenor, VaR, stress, other);
- E. Source(s) of physical supply, where applicable;
- F. Transportation and/or storage requirements, where applicable;
- G. Target market, list of potential counterparties;
- H. Credit issues;

- I. Legal issues;
- J. Tax issues;
- K. Regulatory issues;
- L. Credit support requirements (guarantee, L/C, Collateral);
- M. Liquidity issues (including cash requirements);
- N. Hedging strategy; and
- O. Exit strategy.

The responsibility for initially suggesting appropriate risk measurement methodologies, limits and controls (collectively referred to as "parameters") for a New Product lies with the New Product sponsor. The New Product sponsor and the Chief Risk Officer will then review their understanding of the risks, rewards, related assumptions and appropriate limits. If the sponsor and the CRO are in agreement and all pertinent departments have reviewed and agreed to the New Product, it is approved subject to concurrence by the President and COO / CFO. The CRO will ensure that the President and COO / CFO are informed and in conjunction with the sponsor address any questions or concerns. Following approval by the President and COO / CFO, the product becomes part of the Approved Products list. Once the product and any pertinent parameters have been approved, the Chief Risk Officer should ensure that they are appropriately considered in report formats, as well as transaction recording processes and valuation methodologies. Some examples of offerings that would normally constitute a New Product consistent with the definition above include:

A marketing product that exposes the company to a different set of market risks, e.g. Oil Marketing's Heat Curve and Free Range products were new products when first introduced. Similarly, the Natural Gas Accelerated Collar product was a new product when introduced; and

A Materials Handling product to be handled at a terminal that is dissimilar to past Materials Handling experience.

Ultimate responsibility for verification that risks have been identified and, mitigated where appropriate, rests with the Chief Risk Officer. This new product requirement is only required when the product in question is not part of the current portfolio, e.g., is not required when new marketing products are added that are simply different blends of existing grades in inventory or minor variations due to changing product quality regulations. Materials Handling products that are comparable to ones previously or currently handled also do not need to go through the new product approval process. In addition, if a new product is added to Sprague's portfolio via an acquisition or other third-party mechanism (joint venture, etc.), a specific new product approval process is not required. For these situations, the new products will be evaluated as part of the transaction process.

7.2 Non-Standard Transaction

7.2.1 Definition of Non-Standard Transaction

A "Non-Standard transaction" will include multiple classes of transactions for which approval will be required before execution. The various classes of transactions falling into this category will be as follows:

- A. All transactions with tenor greater than: contract length of 24 months or position duration of 32 months;

- B. Transactions which are outside the authority levels of the Trading Leader(s); and / or
- C. Transactions that cannot be automatically captured in Company's Trading and Risk Management System(s).

Examples of non-standard transactions would include:

- Natural Gas Supply Transportation deal covering five year period;
- Individual discretionary location spread position in Oil Supply of over 400 KB; and
- Transaction requiring mark-to-model approach (i.e. does not have transparent arms-length pricing mechanism) to provide daily valuations.

Transactions that hedge the initial non-standard transaction do not require explicit approval as long as the hedge is within the established credit and market risk limits. Other transactions that are excluded from this category include Material Handling deals (where tenor frequently exceeds the limits indicated above) and bid opportunities covering longer time periods that obtain Senior Management approval via an explicit bid process.

7.2.2 Non-Standard Transaction Approval Process

Any trader or marketer seeking approval for a non-standard transaction will be required to notify his/her Trading Leader or Market Leader. Once the responsible Trading Leader or Market Leader concurs that they wish to submit the Non-Standard Transaction for approval, either the Trading Leader or Market Leader must notify the Chief Risk Officer. Note that the CRO can also be notified directly by the trader or marketer. Depending on the details of the proposed transaction, the Chief Risk Officer will determine what additional information and review is required. The appropriate Middle Office Manager will coordinate the Non-Standard Transaction Approval process as necessary in conjunction with the Chief Risk Officer.

The requirements for assessment can vary from simply obtaining concurrence from the person(s) with the appropriate authority level, e.g. the Sprague President or the AJI President to completing a more detailed analysis. The Chief Risk Officer will coordinate the approval process. For the opportunities that require detailed analysis, the Middle Office Manager, in conjunction with the Senior Quantitative Analyst, will provide a high level risk and valuation assessment while the following departments will be included on an as needed basis as determined by the Chief Risk Officer:

- Credit
- Legal
- Tax
- Accounting
- Contract Administration
- Trading Leader(s)
- Operations (logistics, scheduling, nominations)
- IT
- I. Treasury
- J. Insurance

- K. Middle Office
- L. Operations
- M. Health, Safety, and Environmental

If concerns arise from representatives of these departments, they should be communicated immediately to the Non-Standard Transaction Sponsor and the Chief Risk Officer or Middle Office Manager. Types of information that may be required to complete the Non-Standard Transaction evaluation include:

Critical terms (term, price, volume, location, etc.)

Description of transaction

Notional value

Cash flow analysis

Source of physical supply

Counterparty details

Credit issues

Legal issues

Transmission or transportation requirements

Effect on position limits

Tax issues

Regulatory issues

Liquidity issues (including cash requirements)

Hedging strategy

- O. Exit strategy
- P. Separate risk limits required

If concerns arise that cannot be resolved in a timely manner, the Supply / Trading and Marketing Officer and Chief Risk Officer will attempt to find a resolution and either: 1) proceed with the transaction; or 2) deny the request. Ultimate responsibility for determination that material issues have been adequately addressed rests with the Chief Risk Officer.

7.2.3 Electronic Trading Systems

Contract Administration shall coordinate the review and approval of new electronic trading systems by the Front Office. This approval will be granted following review of the business case (developed by the Front Office) and the control issues associated with the specific product. This process will include review by the Credit, Contracts and Legal departments, as well as the responsible Trading Leader(s), IT and the Middle Office Manager. Once approved for use by the Front Office, the Credit department will be responsible for maintaining control of the approved counterparty list and trading limits on electronic systems. Procedures for the use of Electronic Trading Systems will be maintained in the Front Office.

EXHIBITS

EXHIBIT 1 - APPROVED PRODUCTS LIST

I. Oil Supply and Marketing

Logistics

Barge / Ship
Pipeline
Truck
Railcar

Trading / Hedging

Futures (NYMEX and ICE)
EFPs
Fixed-for-Float Swaps
Basis Swaps
Options (Futures and OTC)

Sales / Marketing / System Supply

Buy / Sell
Thruputs
Exchange Agreements
3rd - Party Storage
Reseller
Fixed Forwards
Unpriced Guaranteed Differentials (UGDs)
Heat Curves
Downside Protection
Rack Sales
Prompts (including E-Commerce)
E-Commerce Forwards
Collars
Forward Basis

II. Natural Gas Supply and Marketing:

Logistics / Storage

Transportation
Storage

Trading / Hedging

Futures (NYMEX and ICE), Natural Gas and Oil Products
Index Swaps
Swing Swaps
Financial Basis (a.k.a. Basis Swaps)
Physical Basis
Fixed-for-Float Swaps
Options (futures and OTC)
Spreads (time, basis)
Cross Commodity Spreads

Note: ATTACHMENTS 2-5 provide more details on approved products breakdown

EXHIBIT 1— APPROVED PRODUCTS LIST (CONT.)

Marketing / Sales

Forwards (fixed, index, or basis)

Trigger

Caps

Collar

Accelerated Collar

III. Materials Handling

Product Name

Aggregates

Asphalt

Aviation Fuel

Calcium Chloride

Caustic Soda

Cement

China Clay

Coal

Furnace Slag

Government Petroleum

Gypsum

Heavy Lift

Iron Oxide

Logs

Lumber

Paper (rolled or bundled)

Petcoke

Pulp (baled)

Recycled Oil

Salt

Scrap

Seaweed

Sugar

Tallow

Tapioca

Urea

Veg Oil

Wood Pellets

Note: ATTACHMENTS 2-5 provide more details on approved products breakdown

EXHIBIT 2 — PRODUCT DEFINITIONS

Note that the following definitions are in some cases in reference to specific Sprague offerings / terminology and are not considered general industry definitions

Accelerated Collar:	Specific product offered by Natural Gas to its customers. Product is more complex than a standard collar deal (see below), providing the customer upside price protection and downside price participation with potential discounts to the market price.
Basis:	Differential between the cash or spot price of a commodity and the price of the nearest futures contract. Basis may reflect different time periods, qualities / grades, or locations. <ul style="list-style-type: none">• Natural Gas Basis: Generally refers to location differences, i.e. the price of natural gas at a physical location less the prompt month natural gas futures contract.• Oil Basis: Generally refers to quality / grade and possibly location differences, typically the price of the physical commodity less the prompt month of the most similar futures contract.
Basis Swap:	A contract in which two parties exchange cash flows linked to the difference between the price of a specific quantity of commodities at a particular physical location or quality / grade and the price of the same quantity of commodities on an organized exchange at a different physical location or of a different quality/grade.
Cap:	Contract which has a maximum price. This is generally purchased by customers that want the opportunity to benefit from expected future price declines, though want to limit their exposure to future price increases.
Collar:	Contract where the buyer is guaranteed a maximum price and the seller a minimum price. These transactions are supported by purchase and sale of options positions. A Costless Collar is where buying and selling respectively the related Call and Put are used to finance the Collar.
Downside Protection:	Contract designed to allow the customer to benefit from declining market prices. Sprague generally completes an option transaction(s) to limit the risk associated with this offering.
E-commerce	Contract offered by Oil Marketing whereby the customer purchases oil either on a prompt or forward basis via an electronic platform.
EFP *	A transaction in which two parties agree to exchange a specified amount of futures contracts for the same physical quantity of commodities, with the price of the commodities determined by reference to the market price of the futures.
Forward:	Contract that commits a party to buying or selling a specific quantity of commodities at a price specified at the origination of the contract, with delivery and settlement at a specified future date and location.
Futures:	A standardized Forward that is traded on a domestically regulated organized exchange such as the New York Mercantile Exchange (NYMEX) or Intercontinental Exchange (ICE).
Heat Curve:	Contract offered by Oil Marketing whereby the customer purchases a specified volume of heating oil over several forward months, with the monthly volume distribution reflecting the typical seasonal demand pattern.
Index:	Published price that is intended to represent the market price for that particular commodity and location for the specified time period. Different pricing services used different methodologies to establish their pricing indices.

* Exchange of Futures for Physical

EXHIBIT 2 — PRODUCT DEFINITIONS (CONT.)

Index Swap:	<p>This contract essentially represents a combination of a fixed for floating swap and basis swap, with the floating component being an index price.</p> <p>A contract that gives the purchaser (holder) the right, but not the obligation, to buy (call) or sell (put) a specific quantity of commodities at an agreed-on price, during a specified period or at a specified date.</p>
Option:	<p>There are a range of option settlement alternatives, including:</p> <ul style="list-style-type: none"> • American Option: Option which may be exercised at any time during its lifetime, up to and including the expiration date. • Asian Option: Option whose payoff depends on an average of prices for the underlying commodity over a period of time, rather than the price of the commodity on a single date. The averaging period may correspond to the entire life of the option, or may be shorter. • European Option: Option which may only be exercised on its expiration date.
Over-the-Counter:	Trading of financial instruments such as commodities or derivatives directly between two parties. Regulations are more limited for OTC transactions compared to trades completed on an organized exchange.
Prompt:	Contract offered by Oil Marketing for a specified volume of oil to be lifted over a short time period (e.g. maximum of 10 days).
Rack:	Oil Marketing transaction where customer purchases oil on a non-delivered basis at a terminal loading facility or "rack".
Spread:	Transaction that involves a corresponding purchase and sale with volumes that offset to a net zero position.
Spread Option:	<p>Option written on the differential between the prices of two commodities, e.g.,</p> <p>Basis (location) Spread: Based on the difference between the prices of the same commodity at two different locations. As indicated above, this basis definition is largely used in for natural gas transactions;</p> <p>Calendar or Time Spread: Based on the difference between the price of the same commodity at two different points in time;</p> <p>Processing Spread: Based on the difference between the price of inputs to, and outputs from, a production process (e.g. a crack spread);</p> <p>Quality or Grade Spread: Based on the difference between the prices of different grades of the same commodity.</p>
Swap:	A contract by which the parties agree to exchange one product for another. The products can be either physical or financial. A common type of swap is the fixed for floating swap, which can include various alternatives such as futures, basis, index, and swing swaps.
Swing Option:	Option which grants the right to take more or less of a specified commodity. The opportunity to swing up is effectively a call option on the commodity specified in the contract, and the opportunity to swing down is a put option on the commodity, subject to obligations to take certain quantities over the entire life of the contract.
Swing Swap:	Refers to a gas contract that is based on a fixed-for-floating index swap that references an average of daily prices. This is generally used for interruptible gas contracts.
Trigger:	A physical transaction that is priced at a differential to a futures or swap contract where the price can be locked in or "triggered" at a later date.

EXHIBIT 2 — PRODUCT DEFINITIONS (CONT.)

- UGD:** Unpriced Guaranteed Differential contract offered by Oil Marketing. In this contract, the customer agrees to purchase a specified volume of oil at an agreed to price differential compared to a specified futures contract price(s). The customer fixes (see trigger) the price of the futures component of the price at some point prior to expiration of the relevant futures contract.
- Volatility:** Typically refers to the standard deviation of the change in value of a financial instrument with a specified time horizon. Volatility is tracked heavily in options trading. Historical volatility is based on how much prices have changed in the past, based on settlement levels. Implied volatility is a theoretical value based on the premium of an option and is intended to represent the expected level of price changes in the future. In general, increasing volatility leads to higher options prices.

EXHIBIT 3 — MARKET RISK LIMIT STRUCTURE

Control Levels ¹	President	Senior Commercial / Trading Manager
Oil Supply Discretionary + System Optimization		
*Contract Term	60 months	24 months
Term of Positions	68 months	32 months
Outright (Thousand Bbls)	500	300
Total Spreads (Thousand Bbls)		
Time	2,500	1,750
Location	1,500 ³	1,000 ³
Basis	2,500	1,750
Cross Commodity	500 ³	300 ³
Individual Spread Positions (Thousand Bbls)		
Time	1,250 ²	600 ²
Location	800 ³	400 ³
Basis	1,000	500
Cross Commodity (e.g. oil/gas, crude oil / resid)	500 ³	300 ³
Daily VaR (Value at Risk)	\$1.5 million	\$ 1.5 million
Oil Supply System		
Seasonal Hedged Storage⁴	4,000	2,000
Hedge Pre-Roll	3,000	1,500
Natural Gas		
Contract Term	60 months	24 months
Term of Positions	68 months	32 months
Total Position (10,000 MM BTU's)		
Fixed Price	250	150
Basis	2,000	1,000
Index	4,000	3,000
Individual Month Positions (10,000 MM BTU's)		
Fixed Price	125	75
Individual Month and Location Positions (10,000 MM BTU's)		
Basis	400	200
Index	700	350
Daily VaR	\$1.5 million	\$ 0.75 million
Oil and Gas		
Total \$ Gross Margin Loss		
Daily MAT (Mgm't Action Trigger)	\$ 2 million	\$ 500 K NG/ \$500 K Oil
Monthly MAT	\$ 3 million	\$1 million NG/\$1 million Oil

¹ Composite of overall group's limits.

² For distillates. Limits for other products are 50% of distillate levels.

³ Up to 500,000 barrels of residual fuel oil can be hedged with crude oil without counting against the cross commodity and location spread limits.

⁴ Hedged storage strategy will be agreed to with Sprague management prior to execution.

Note: Other limits will be established as necessary in conjunction with business requirements

EXHIBIT 4 — SAMPLE NEW PRODUCT APPROVAL FORM

NAME OF PRODUCT:

CURRENT DATE:

Sponsor _____

Date _____

- A. **PRODUCT OVERVIEW:** Describe features and benefits of this product to business unit and Sprague Energy Corp.
 B. **RISK ASSESSMENT:** Describe risks, measurement and reporting methods, risk mitigation strategies and potential controls.

Credit _____

Date _____

Legal _____

Date _____

Tax _____

Date _____

Operations Accounting _____

Date _____

Contract Administration _____

Date _____

Trading Leader _____

Date _____

IT _____

Date _____

Treasury _____

Date _____

Insurance _____

Date _____

Note: Chief Risk Officer will determine which groups are required to sign-off on a new product approval form

EXHIBIT 4 - SAMPLE NEW PRODUCT APPROVAL FORM (CONT.)

Middle Office

Date

Physical Operations (logistics, scheduling, nominations)

Date

Terminals and Trucking

Date

Health, Safety, and Environmental

Date

C PROJECTED IMPACT:

Start-up Cost:

Price Schedule:

Accounting Treatment and Tax Implications:

Additional IT resource requirements

D RECOMMENDATION:

The proposed New Product meets the New Product Objectives as outlined in the Risk Management Policy. All material risks have been identified and addressed in this document. RMC approval of this New Product request is recommended.

Trading and Marketing Officer

Date

Chief Operating Officer/
Chief Financial Officer

Date

Chief Risk Officer

Date

E. APPROVAL:

RMC Chairperson

Date

Note: Chief Risk Officer will determine which groups are required to sign-off on a new product approval form

EXHIBIT 5 — EMPLOYEE CONFIRMATION

**Sprague Operating Resources LLC
Risk Management Policy**

EMPLOYEE CONFIRMATION

As an employee of Sprague Operating Resources LLC ("Company") or any successor thereto, I hereby acknowledge that I:

Have received and read a copy of the *Risk Management Policy dated December 5, 2011*, and understand my responsibilities and required participation in the procedures described;

Understand and agree to comply with the Risk Management Policy, as the same may be amended from time to time, and will conduct business activities in a manner consistent with its terms, philosophy and spirit;

Understand that my personal involvement or direct or indirect actions resulting in violations of the Policies and Procedures constitute grounds for termination of employment and or criminal prosecution; and

Agree to report all violations of the Risk Management Policy to the Chief Risk Officer.

EMPLOYEE SIGNATURE

DATE

PRINTED EMPLOYEE NAME

DATE

VICE PRESIDENT

DATE

EXHIBIT 6 — MANAGEMENT REPORTS & CONTROL PROCESSES

DAILY FREQUENCY**Report****Responsibility****Distribution****Daily Position Report****Middle Office Manager****Traders RMC¹**

Open volume (nominal and delta adjusted) and daily change in open volume by commodity and contract month.

Daily Profit & Loss Report**Middle Office Manager****Traders RMC¹**

Includes daily, month-to-date and year-to-date profit and loss.

Daily Portfolio Risk Profile**Middle Office Manager****Traders RMC¹**

VaR by risk group (i.e. natural gas and oil).

¹ Reports distributed to select RMC members

EXHIBIT 6 — MANAGEMENT REPORTS & CONTROL PROCESSES (CONT.)

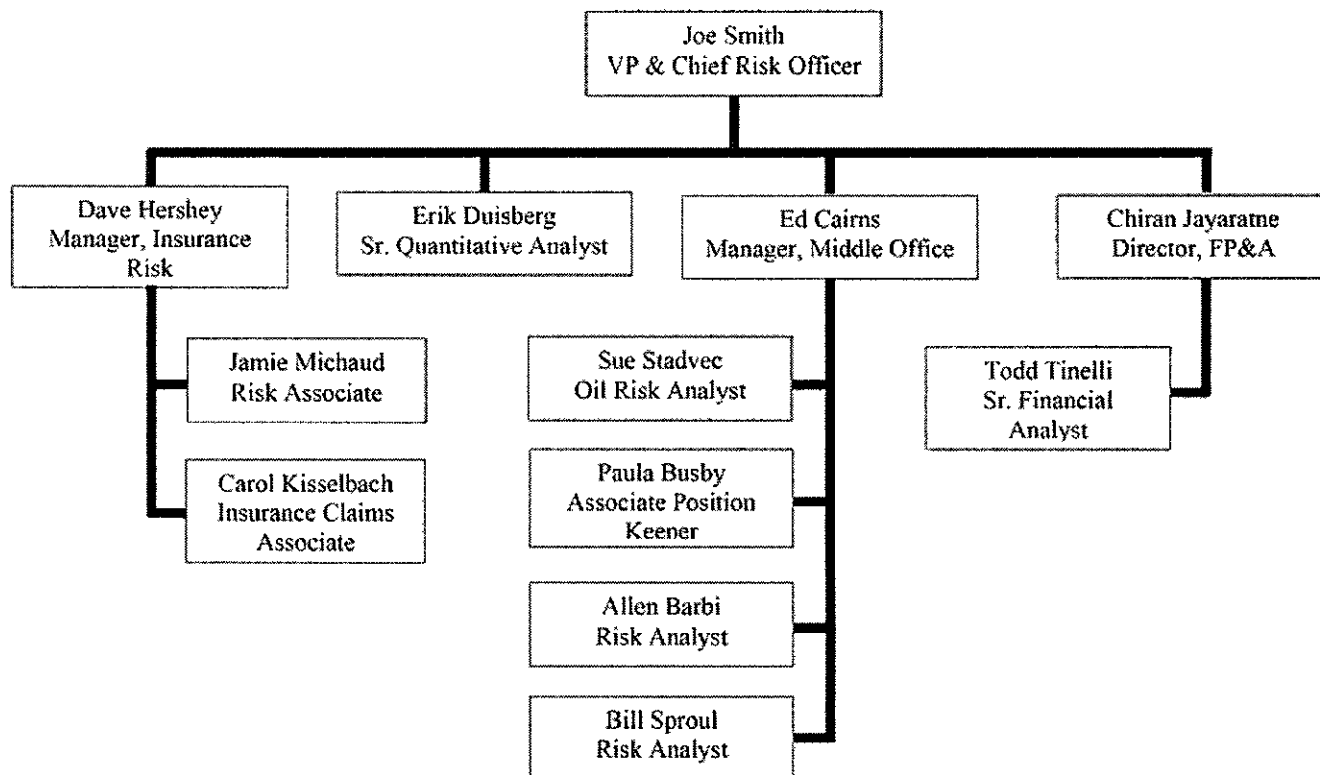
MONTHLY FREQUENCY

<u>Report</u>	<u>Responsibility</u>	<u>Distribution</u>
Monthly Operations Review Including month-to-date, year-to-date profit and loss, including narrative explanations of significant changes in volumes and mark-to-market amounts	Financial Planning and Analysis in conjunction with Operations Accounting Manager	Traders RMC¹
Manual Valuation Report List of all transactions which reside and are valued outside the Risk Management and Trading System	Sr. Quantitative Analyst	Traders RMC¹
Monthly Limit Notice Statement of compliance or noncompliance with all limits	Chief Risk Officer	Traders RMC¹

AS NEEDED FREQUENCY

<u>Report</u>	<u>Responsibility</u>	<u>Distribution</u>
Stop-Loss Limit (MAT) Report	Chief Risk Officer	Traders RMC¹
Violation Report	Middle Office Manager	Traders RMC¹
Other Reports as Necessary	Chief Risk Officer	To Be Determined by Chief Risk Officer

¹ Reports distributed to select RMC members



Effective Date: 12/5/2011

ATTACHMENT 2 – APPROVED PHYSICAL OIL PRODUCTS

Table 1 - Data Warehouse Code #2

<u>Product Name</u>	<u>Product Abbreviation</u>
HEAT	200
#2 Diesel Fuel - Dyed	201
#2 H/S Wintrzd Dsl 50/50-Dyed	203
#2 H/S Marine Prem Dsl - Dyed	204
#2 H/S Diesel - Dyed	205
#2 H/S Premium Diesel - Dyed	206
#2 H/S Wintrzd Heating Oil 70/30-Dyed	209
HeatForce Prem Heating Oil	210
#2 H/S Wntrzd Diesel 60/40 Dyed	211
#2 Oil .25% Sulfur - Dyed	214
#2 H/S Marine Dsl - Dyed	216
MGO	227
MDO	228
#2 Marine Diesel .25S w/VT - Dyed	279
#2 HS GForce Prem Heating Oil	3034
#2 H/S Heating Oil - Dyed	3039
GC Jet - HO Basis	GC Jet - HO
GC No. 2 - HO Basis	GC No. 2 - HO
30 Gallon Drum Heatforce	HF30
5 Gallon Pail Heatforce	HF5
55 Gallon Drum Heatforce	HF55
Russian Gas Oil	RGO
Undyed Heating Oil	Undyd Heat Oil

Table 2 - Data Warehouse Code #4

<u>Product Name</u>	<u>Product Abbreviation</u>
#4 Oil - 0.3% Sulfur	403
#4 Oil - 0.5% Sulfur	405
#4 Oil - 0.6% Sulfur	406
#4 Oil - 1.0% Sulfur	410
#4 Oil - 1.3% Sulfur	413
#4 Oil - 1.5% Sulfur	415
#4 Oil - 2.0% Sulfur	420
450 (IFO 180)	450
451 (IFO 380)	451
#4 Oil - .25 Nitrogen	4OIL-.25N
#4 Oil - .28 Nitrogen	4OIL-.28N
IFO 180	IFO 180
IFO 380	IFO 380
IFO 40	IFO 40

ATTACHMENT 2 - APPROVED PHYSICAL OIL PRODUCTS

Table 3 - Data Warehouse Code #5

<u>Product Name</u>	<u>Product Abbreviation</u>
#5 Oil - 0.5% Sulfur	505
#5 Oil - 0.6% Sulfur	506
#5 Oil - 0.7% Sulfur	507
#5 Oil - 1.0% Sulfur	510
#5 Oil - 1.4% Sulfur	514

Table 4 - Data Warehouse Code #6

<u>Product Name</u>	<u>Product Abbreviation</u>
#6 Oil - 0.3%	603
#6 Oil - 0.5% Sulfur	605
#6 Oil - 0.7% Sulfur	607
#6 Oil - 1.0% Sulfur	610
#6 Oil - 1.3% Sulfur	613
#6 Oil - 1.5% Sulfur	615
#6 Oil - 1.6% Sulfur	616
#6 Oil - 1.7% Sulfur	617
#6 Oil - 1.8% Sulfur	618
#6 Oil - 1.9% Sulfur	619
#6 Oil - 2.0% Sulfur	620
#6 Oil - 2.1% Sulfur	621
#6 Oil - 2.2% Sulfur	622
#6 Oil - 3% Sulfur	630
#6 Oil - 3.5% Sulfur	635
#6 Oil - 1.75% Sulfur	675
#6 Oil - 1.76% Sulfur	676
#6 Oil - 0.3% Sulfur High Pour	603HP
#6 Oil - 0.3% Sulfur Low Pour	603LP
#6 Oil - 0.5% Sulfur Low Pour	605LP
#6 Oil - 1.5% Sulfur IP	615 IP
NYH 6 1.0% - CL Basis	NYH 610 - CL

Table 5 - Data Warehouse Code BIO

<u>Product Name</u>	<u>Product Abbreviation</u>
#2 Heating Oil Dyed B-20 Bio	207
#2 Heating Oil B-2 Bio Dyed	212
#2 Heating Oil Dyed B-5 Bio	213
#2 Heating Oil Dyed B-99.9 Bio	215
#2 Heating Oil Dyed B-40 Bio	217
S15 USLD #2 40 / ULSK 40 / BIO 20	237
S500 #2 47.5 LS Dsl B-5 Clear	240
S500 #2 47.5 LS Dsl B-5 Dyed	241

ATTACHMENT 2 - APPROVED PHYSICAL OIL PRODUCTS

\$500 No.2 LS Diesel B-10 Dyed	245
\$500 No.2 LS Diesel B-10 Clear	246
#2 Heating Oil B-10 Bio Dyed	247
\$500 #2 Pm 47.5 LSD B-5 Clear	248
\$500 #2 Pm 47.5 LSD B-5 Dyed	249
\$500 No.2 LS Diesel B-40 Dyed	265
\$500 No.2 LS Diesel B-40 Clear	266
HeatForce Prem #2 Dyed B99.9 Bio	267
HeatForce Prem #2 Dyed B-2 Bio	269
HeatForce Prem #2 Dyed B-5 Bio	272
HeatForce Prem #2 Dyed B-20 Bio	275
HeatForce Prem #2 Dyed B-40 Bio	276
\$15 #2 PRM ULSD CLEAR B-50	277
\$15 #2 PRM ULSD DYED B-50	278
\$500 No.2 RFC Pr LSD B-5 Clr	283
\$500 No.2 RFC Pr LSD B-2 Clr	284
\$500 No.2 LS Diesel B-20 Dyed	285
\$500 No.2 LS Diesel B-2 Dyed	286
\$500 No.2 LS Diesel B-2 Clear	287
\$500 No.2 RFC Pr LSD B-20 Clr	288
\$500 No.2 LS Diesel B-5 Dyed	289
\$500 No.2 LS Diesel B-5 Clear	293
Biodiesel B-100	295
Bio Diesel (b20) - Dyed	296
\$500 No.2 LS Diesel B-20 Clear	297
\$500 LS Kero Dyed - B-2 Bio	300
\$500 LS Kero Dyed - B-5 Bio	301
\$500 LS Kero Dyed - B-20 Bio	302
\$500 LS Kero Clear - B-2 Bio	303
\$500 LS Kero Clear - B-5 Bio	304
\$500 LS Kero Clear - B-20 Bio	305
\$500 No.2 RFC Pr LSD B-2 Dyed	306
\$500 No.2 RFC Pr LSD B-5 Dyed	307
\$500 No.2 RFC Pr LSD B-20 Dyed	308
\$15 #1ULS Diesel - B-50 Bio Clear	309
\$15 ULS Kero Dyed - B-2 Bio	310
\$15 ULS Kero Dyed - B-5 Bio	311
\$15 ULS Kero Dyed - B-20 Bio	312
\$15 ULS Kero Clear - B-2 Bio	313
\$15 ULS Kero Clear - B-5 Bio	314
\$15 ULS Kero Clear - B-20 Bio	315
\$15 No.2 RFC Pr ULSD B-2 Dyed	316
\$15 No.2 RFC Pr ULSD B-5 Dyed	317
\$15 No.2 RFC Pr ULSD B-20 Dyed	318
\$15 #2 ULSD Clear - B-50	324
\$500 LSD 50/50 B20 CLR	326
\$500 LSD 50/50 B20 DYED	327
\$15 #2 ULSD Dyed - B-50	328
\$15 #1ULS Diesel - B-50 Bio Dyed	329

ATTACHMENT 2 - APPROVED PHYSICAL OIL PRODUCTS

S15 Prem ULSD #2 B-20 Clear	337
S15 No.2 47.5 ULSD Clear B-5	340
S15 No.2 47.5 ULSD Dyed B-5	341
S15 No.2 ULS Diesel B-10 Dyed	345
S15 No.2 ULS Diesel B-10 Clear	346
S15 No.2 ULS Diesel Clear B-99.9 Bio	347
S15 No.2 Pm 47.5 ULSD Clear B-5	348
S15 No.2 Pm 47.5 ULSD Dyed B-5	349
LSD / Kero Clear B-20 Bio-blend	355
S15 #2 RdFrc Pm ULSD Clr B-10	359
S15 No.1 ULSD Clear - B-10 Bio	365
S15 No.1 ULSD Dyed - B-10 Bio	366
S15 No.2 ULS Diesel B-40 Dyed	367
S15 No.2 ULS Diesel B-40 Clear	368
S15 #2 RdFrc Pm ULSD Dyd B-10	369
S15 No. 2 Prem ULSD B-5 Clear	372
S15 No.1 ULSD B-5 Bio Clear	375
S15 No.1 ULSD Dyed - B-5 Bio	376
S15 No.1 ULSD B-20 Bio Clear	377
S15 No.1 ULSD Dyed - B-20 Bio	378
S15 No.1 ULSD Clear B-2 Bio	379
No. 1 ULS Diesel Dyed B-2 Bio	380
S15 No.2 RFC Pr ULSD B-5 Clr	383
S15 No.2 RFC Pr ULSD B-2 Clr	384
S15 No.2 ULS Diesel B-20 Dyed	385
S15 No.2 ULS Diesel B-2 Dyed	386
S15 No.2 ULS Diesel B-2 Clear	387
S15 No.2 RFC Pr ULSD B-20 Clr	388
S15 No.2 ULS Diesel B-5 Dyed	389
S15 No2 56/24/B-20 ULSD Clr	391
S15 No2 56/24/B-20 ULSD Dyed	392
S15 No.2 ULS Diesel B-5 Clear	393
S15 No2 Pm 56/24/B20 ULSD Clr	394
S15 No2 Pm 56/24/B20 ULSD Dyd	395
Diesel Fuel - ULS Dyed B-20 Bio	396
S15 No.2 ULS Diesel B-20 Clear	397
S15 No2 66.5/28.5/B5 ULSD Clr	3001
S15 No2 66.5/28.5/B5 ULSD Dyed	3002
S15 No 1 ULSD Clr B-5 w/detergent	3003
S15 No. 2 ULS Diesel B-80 Clear	3004
S15 No. 2 ULS Diesel B-80 Dyed	3005
S500 NRLM Winter Dsl 25Isd/55kero/B20	3006
S15 NRLM WntrBld 25 ulsd/55 ulsk/B20	3009
HeatForce Prem #2 Dyed B-10 Bio	3010
S15 No 1 ULSD Clr B-10 w/detergent	3014
B-99.9 Heating Fuel - Clear	3015
B-99.9 Bio	3016
#2 Heating Oil .2% Dyed B-5 Bio	3017

ATTACHMENT 2 - APPROVED PHYSICAL OIL PRODUCTS

#2 Heating Oil .2% Dyed B-20 Bio	3018
S15 No. 2 Prem ULSD B-5 Dyed	3020
S15 ULS Kero Dyed - B-10 Bio	3022
S15 ULS Kero Clear - B-10 Bio	3023
S15 No. 1 ULSD Clear B-10 Bio	3024
S15 No. 1 ULSD Dyed B-10 Bio	3025
S15 No2 66.5/28.5/B5 Pm ULSD Clr	3026
S15 No2 66.5/28.5/B5 Pm ULSD Dyed	3027
S15 No2 54/36/B10 ULSD Clr	3028
S15 No2 54/36/B10 ULSD Dyed	3029
S15 No2 57/38/B5 ULSD Clr	3033
S15 No2 Pm 48/32/B20 ULSD Clr	3037
S15 ULS Pm Clr 40 / 40 / B-20	3038
B 100 Renewable Diesel	B 100 Renew Dsl
B 99.9 Blendstock	B 99.9 Bldsk
B-100 Biodiesel	B-100
B-100 Blendstock	B100 Blendstock
Retail BioDiesel	B2
B-5 Heating Oil	B-5 Heat
B-5 ULSD	B-5 ULSD
B-99.9 Biodiesel	B-99.9
B99.9 Renewable Diesel	B99.9 Rnw Dsl
Bio Blendstock	Bio Blendstock
Bio Heavies	Bio Heavy
Bio Heavies AFM	Bio Heavy AFM
BioHeat Blendstock	BioHeat Blndsk
Renewable Diesel	Renew Dsl

Table 6 - Data Warehouse Code CON

<u>Product Name</u>	<u>Product Abbreviation</u>
CONV Reg Gas - 87Oct	103
CONV Reg Gas - 87Oct-7.8 RVP	108
CONV Plus Gas - 89Oct	132
CONV Plus Gas 89Oct - 7.8 RVP	138
CONV Prem Gas - 91 Oct - 9.0 RVP	147
CONV Prem Gas - 91 Oct - 7.8 RVP	149
CONV Prem Gas - 93Oct	164
CONV Gas - 93Oct-7.8 RVP	169
CONV Gas - 92Octane	179
100 Low Lead Aviation Gasoline	199
CONV	CONV
LS CONV	LS CONV
MID CONV	MID CONV
PREM CONV	PREM CONV
PREM LS CONV	PREM LS CONV

ATTACHMENT 2 - APPROVED PHYSICAL OIL PRODUCTS

Table 7 - Data Warehouse Code DSL

<u>Product Name</u>	<u>Product Abbreviation</u>
S500 No.2 90/10 LSD Clear	218
S500 No.2 RdForce Pr LSD Clr	230
S500 No.2 RdForce Pr LSD Dyed	231
S500 No.2 Premium LSD Clear	232
S500 No.2 Premium LSD Dyed	233
S500 No.2 Pm 80/20 LSD Clear	234
S500 No.2 Pm 50/50 LSD Clear	235
S500 No.2 Pm 75/25 LSD Clear	236
S500 No.2 Pm 70/30 LSD Clear	238
S500 No.2 Pm 70/30 LSD Dyed	239
S500 No.2 Pm 60/40 LSD Clear	242
S500 No.2 Pm 90/10 LSD Clear	243
S500 No.2 80/20 LSD Dyed w/add LSD	244
S500 No.2 LS Diesel Dyed	250
S500 No.2 LS Htg Fuel Dyed	251
S500 No.2 75/25 LS Diesel Clr	252
S500 No.2 80/20 LS Diesel Clr	253
S500 No.2 50/50 LS Diesel Clear	254
S500 No.2 70/30 LS Diesel Dyed	256
S500 No.2 70/30 LS Diesel Clr	257
S500 No.2 Winterized LSD Clr	258
S500 No.2 85/15 LSD Clear	260
S500 No.2 60/40 LSD Clear	261
S500 No.2 60/40 LSD Dyed	262
S500 No.2 90/10 LSD Dyed	263
Marine Diesel - L/S - Clear	264
Marine Diesel - L/S - Dyed	280
S500 No.2 Retail LS Diesel	281
S500 No.2 Wntz 70/30 LSD Dyed	290
S500 No. 2 50/50 LS Diesel Dyed	298
S500 HeatForce LS Htg Fuel Dyed	2000
Marine Diesel - L/S Prem Dyed	3007
LSD - OFF ROAD	3008
	LSD OFF RD

Table 8 - Data Warehouse Code ETH

<u>Product Name</u>	<u>Product Abbreviation</u>
5.7% RBOB - Summer	105
RFG/OXY 87Oct-10% Eth VOC CTRL	109
RFG/OXY 87Oct-10% Eth VT VOC CTRL	110
RFG/OXY 87Oct-10% Eth	111
RFG/OXY 87Oct-10% Eth VT	112
RFG/OXY 87Oct-5.7%Eth VOC CTRL	114

ATTACHMENT 2 - APPROVED PHYSICAL OIL PRODUCTS

RFG/OXY 870ct-5.7% Eth W/VT VOC CTRL	115
RFG/OXY 870ct-5.7% Eth	116
RFG/OXY 870ct-5.7%Eth VT	117
5.7% RBOB - Winter	118
10% RBOB - Summer	119
10% RBOB - Winter	120
RFG/OXY 890ct-10% Eth VOC CTRL	130
RFG RBOB Gas - 890ct.-9.0 RVP	137
RFG/OXY 890ct-10% Eth VT VOC CTRL	139
RFG/OXY 890ct-10% Eth	140
RFG/OXY 890ct-10% Eth VT	141
RFG/OXY 890ct-5.7% Eth VT VOC CTRL	142
RFG/OXY 890ct-5.7%Eth VT	143
RFG/OXY 890ct-5.7% Eth VOC CTRL	144
RFG/OXY 890ct-5.7%Eth	145
RFG/OXY 910ct-10% Eth VOC CTRL	150
RFG/OXY 910ct-10%Eth VT VOC CTRL	151
RFG/OXY 920ct-10% Eth VOC CTRL	152
RFG/OXY 920ct-10% Eth VT VOC CTRL	153
RFG/OXY 930ct-10% Eth VOC CTRL	154
RFG/OXY 930ct-10% Eth VT VOC CTRL	155
RFG/OXY 930ct-10% Eth	156
RFG/OXY 930ct-10% Eth VT	157
RFG/OXY 920ct-10% Eth	158
RFG/OXY 920ct-10% Eth VT	159
5.7% PBOB - Summer	165
RFG/OXY 910ct-10% Eth	174
RFG/OXY 910ct-10% Eth VT	180
RFG/OXY 930ct-5.7% Eth VOC CTRL	181
RFG/OXY 930ct-5.7% Eth VT VOC CTRL	182
RFG/OXY 920ct-5.7% Eth VOC CTRL	183
RFG/OXY 920ct-5.7% Eth VT VOC CTRL	184
RFG/OXY 910ct-5.7% Eth VOC CTRL	185
RFG/OXY 910ct-5.7% Eth VT VOC CTRL	186
RFG/OXY 930ct-5.7% Eth	187
RFG/OXY 930ct-5.7%Eth VT	188
E85 (85% Ethanol, 15% NL87)	191
RFG/OXY 920ct-5.7%Eth VT	192
RFG/OXY 910ct-5.7% Eth	193
RFG/OXY 910ct-5.7%Eth VT	194
5.7% PBOB - Winter	195
10% PBOB - Summer	196
10% PBOB - Winter	197
E70 (70% Ethanol, 30% NL87)	198
Ethanol E-100	1000
CONV Reg 870ct - 10% Eth	1001
CONV Prem 930ct - 10% Eth	1002
CONV MidGas 890ct - 10% Eth	1003

ATTACHMENT 2 - APPROVED PHYSICAL OIL PRODUCTS

CONV PremGas 91Oct - 10% Eth	1004
CBOB	CBOB
Retail #E70	E7
Retail #E85	E8
Ethanol	Ethanol
Gasoline Blendstock	Gas Blendstock
GAS BLND	GAS BLND
MID RBOB	MID RBOB
Retail Midgrade Gasoline	N+
Retail Regular Gasoline	NL
Retail Premium Gasoline	NP
PBOB	PBOB
Premium CBOB	PREM CBOB
PREM E-10	PREM E-10
RBOB	RBOB
REG E-10	REG E-10

Table 9 - Data Warehouse Code JET

<u>Product Name</u>	<u>Product Abbreviation</u>
Jet Fuel	320
Jet Fuel JP-5	325
JET	JET

Table 10 - Data Warehouse Code KER

<u>Product Name</u>	<u>Product Abbreviation</u>
Kerosene - High Sulfur - Dyed	219
S500 No.1 LS Kero Dyed	220
S500 No.1 LS Diesel Clear	221
S500 No.1 LS Kerosene Clear	222
S500 No.1 Pm LS Diesel Dyed	223
Kerosene-Dyed Ultra-K	224
S500 No. 1 LS Kero/Heating Fuel Dyed	3035
Retail Kerosene	KE
KERO	KERO

Table 11 - Data Warehouse Code LCO

<u>Product Name</u>	<u>Product Abbreviation</u>
LCO	LCO
LS LCO	LS LCO

ATTACHMENT 2 — APPROVED PHYSICAL OIL PRODUCTS

Table 12 - Data Warehouse Code RFG

<u>Product Name</u>	<u>Product Abbreviation</u>
Base 87	100
RFG Reg Gas - 870ct-Oxy/MTBE	101
RFG Reg Gas-87 OCT	102
RFG Reg Gas-870ct - W/VT	104
RFG Reg Gas-870ct-W/VT VOC CTRL	106
RFG Economy Gas - 870ct	107
RFG Reg Gas-870ct-VOC CTRL	113
RFG Mid Gas -890ct-Oxy/MBTE	131
RFG Mid Gas-890CT	133
RFG Mid Gas -890ct-W/VT	134
RFG MidGas-890ct-W/VT VOC CTRL	135
RFG Mid Gas -890ct-VOC CTRL	136
Oxy RFG Prem Gas-930ct-13.5RVP	160
Oxy RFG Prem Gas-930ct-9.0RVP	161
RFG Prem Gas-930CT	162
RFG Prem Gas-92OCTa	163
RFG Prem Gas-920CT W/VT	166
RFG PremGas-930ct-W/VT	167
RFG Ultra Gas - 940ct	168
RFG Prem Gas-910ct W/VT	170
RFG Prem Gas-920CT	171
RFG PremGas-930ct-W/VT VOC CTRL	172
RFG PremGas-910ct-VOC CTRL	173
RFG Prem Gas-91OCT	175
RFG Prem Gas-910CT W/VT VOC CTRL	176
RFG PremGas920CT-W/VT VOC CTRL	177
RFG PremGas-930ct-VOC CTRL	178
MID RFG	MID RFG
PREM RFG	PREM RFG
RFG	RFG

Table 13 - Data Warehouse Code ULK

<u>Product Name</u>	<u>Product Abbreviation</u>
S15 No 1 ULS Diesel Clr w/detergent	259
# 1 ULSD	270
Ultra Low Sulfur Diesel - Dyed	271
Ultra LS Diesel w/add -Clear	273
Ultra LS Diesel w/add - Dyed	274
S15 No.1 ULS Kero Dyed	319
No.1 ULS Diesel - Clear	321
S15 No.1 ULS Kerosene Clear	322
S15 No.1 Prm ULS Diesel Dyed	323
S15 No.1 ULS Diesel Clear	370
S15 No.1 ULS Diesel Dyed	371
S15 No.1 ULS Diesel w/add Clear	373
S15 No.1 ULS Diesel w/add Dyed	374
# 1 ULK	ULSK #1

ATTACHMENT 2 – APPROVED PHYSICAL OIL PRODUCTS

Table 14 - Data Warehouse Code ULS

Product Name	Product Abbreviation
S15 No.2 RdForce Pr ULSD Clr	330
S15 No.2 RdForce Pr ULSD Dyed	331
S15 No.2 Premium ULSD Clear	332
S15 No.2 Premium ULSD Dyed	333
S15 No.2 Prm 80/20 ULSD Clear	334
S15 No.2 Prm 50/50 ULSD Clear	335
S15 No.2 Prm 75/25 ULSD Clear	336
S15 No.2 Prm 70/30 ULSD Clear	338
S15 No.2 Prm 70/30 ULSD Dyed	339
S15 No.2 Prm 60/40 ULSD Clear	342
S15 No.2 Prm 90/10 ULSD Clear	343
S15 No.2 80/20 ULSD Dyed w/add	344
S15 No.2 ULS Diesel Clear	350
S15 No.2 ULS Diesel Dyed	351
S15 No.2 ULS Htg Fuel Dyed	352
S15 No.2 75/25 ULS Diesel Clr	353
S15 No.2 80/20 ULS Diesel Clr	354
S15 No.2 50/50 ULS Diesel Clr	356
S15 No.2 70/30 ULS Diesel Dyed	357
S15 No.2 70/30 ULS Diesel Clr	358
S15 No.2 Winterized ULSD Clr	360
S15 No.2 85/15 ULSD Clear	361
S15 No.2 60/40 ULSD Clear	362
S15 No.2 60/40 ULSD Dyed	363
S15 No.2 90/10 ULSD Dyed	364
S15 No.2 Marine Diesel ULS Dyd	381
S15 No.2 Marine Diesel ULS Clr	382
S15 No.2 Retail ULS Diesel	390
S15 No.2 Wntrz 70/30 ULSD Dyed	398
S15 No 2 RdFrc 70/30 ULSD Clear	3011
S15 No 2 RdFrc 70/30 ULSD Dyed	3012
S15 #2 Retl ULSD-Off Rd-Co Use	3013
S15 No 2 ULS Diesel Clr w/detergent	3019
S15 No 2 ULS Dsl Dyed w/detergent	3021
S15 No 2 ULSD Clr w/detr & cold flow	3030
S15 No.2 Winterized ULSD Dyed	3031
S15 No 2 ULSD Dyd w/detr & cold flow	3032
S15 No.2 Wntrzd Retail ULS Diesel	3036
S15 #2 ULS Diesel Clear	3040
S15 #2 ULS Diesel Dyed	3041
S15 No. 2 80/20 ULS Diesel Dyed	3042
S15 No. 2 90/10 ULS Diesel Clear	3043

ATTACHMENT 2 — APPROVED PHYSICAL OIL PRODUCTS

Retail #2 Diesel
2 ULSD
#2 ULSD Dyed

D2
ULSD #2
ULSD #2 Dyed

<u>Employee</u>	<u>Position</u>	<u>Group</u>	<u>Commodity¹</u>	<u>Logistics</u>			
				<u>Barge</u>	<u>Pipeline</u>	<u>Truck</u>	<u>Railcar</u>
Steve Scammon	VP, Trading, Pricing and Customer Service	Oil Trading, Pricing & Customer Service	Oil/NG	X	X	X	X
John Bischoff	VP, Oil Supply	Oil Supply	Oil/NG	X	X	X	X
Steve Dunn	Manager, USAC Light Products	Oil Supply	Oil/NG	X	x	x	x
Kevin Grant	Director, Business Development	Oil Supply	Oil	X	X	X	X
Shamus Martin	Manager, International Petroleum	Oil Supply	Oil/NG	X	x	x	x
Linda Theberge	Oil Trader	Oil Supply	Oil	X	X	X	X
Lindsay Perret	Scheduler	Oil Supply	Oil	X	X	X	X
Ken Fonseca	Senior Scheduler	Oil Supply	Oil	X	X	X	X
Kathy Trottnier	Senior Scheduler	Oil Supply	Oil	X	X	X	X
Tom Flaherty ²	VP, Sales	Oil Sales	Oil				
David Daoust	Managing Director, Sales & E-Com	Oil Sales	Oil				
Jess Albert	Pricing Analyst	Oil Sales	Oil				
Natalie Hebert	Desk Marketing, E-Commerce	Oil Sales	Oil				
Taylor Hudson	Programs Development Manager	Oil Sales	Oil				
Hugh MacNaughton	Manager, Desk Marketing	Oil Sales	Oil				
Krislyn Schweitzer	Desk Marketing, E-Commerce	Oil Sales	Oil				
Kristine Sullivan	Desk Marketing Associate	Oil Sales	Oil				
Bob Gilleco	Managing Director, Sales	Oil Sales	Oil				
Barry Botman	Account Manager	Oil Sales	Oil				
Steve Parise	Managing Director, Wholesale Accounts	Oil Sales	Oil				
Mike Zampano	Director, Industrial & Asphalt Sales	Oil Sales	Oil				
Burr Mosher	Director, Bid/Contract Management	Pricing and Customer Service	Oil				
Tom Van De Water	Director, Pricing & Customer Service	Pricing and Customer Service	Oil				

¹ Nat Gas authorization only for specifically approved cross commodity positions² Authorization for rack and forward sales can be provided to sales staff as appropriate³ In addition to 24 month contract term, term of forward positions limited to 32 months. Longer term contracts (25 to 60 months) require Sprague President (or designee if President unavailable) approval.

Employee	Position	Group	Commodity ¹	Trading / Hedging Instruments						
				NYMEX Futures	ICE Futures	Fixed-for- Float Swap	Basis Swap	Futures Options	OTC Options	
		Oil Trading, Pricing & Customer Service								
Steve Scammon	VP, Trading, Pricing and Customer Service	Customer Service	Oil/NG	X	X	X	X	X	X	X
John Bischoff	VP, Oil Supply	Oil Supply	Oil/NG	X	x	x	x	x	x	x
Steve Dunn	Manager, USAC Light Products	Oil Supply	Oil/NG	X	X	X	X	X	X	X
Kevin Grant	Director, Business Development	Oil Supply	Oil	X	X	X	X	X		
Shamus Martin	Manager, International Petroleum	Oil Supply	Oil/NG	X	X	X	X	X	X	X
Linda Theberge	Oil Trader	Oil Supply	Oil	X	x	x	x	x	x	x
Lindsay Perret	Scheduler	Oil Supply	Oil	X	X	X	X	X	X	X
Ken Fonseca	Senior Scheduler	Oil Supply	Oil							
Kathy Trottnier	Senior Scheduler	Oil Supply	Oil							
Tom Flaherty ²	VP, Sales	Oil Sales	Oil							
David Daoust	Managing Director, Sales & E-Com	Oil Sales	Oil	X		X				
Jess Albert	Pricing Analyst	Oil Sales	Oil	X		X				
Natalie Hebert	Desk Marketing, E-Commerce	Oil Sales	Oil	X		x				
Taylor Hudson	Programs Development Manager	Oil Sales	Oil	X		X				
Hugh MacNaughton	Manager, Desk Marketing	Oil Sales	Oil	X		X				
Kristyn Schweitzer	Desk Marketing, E-Commerce	Oil Sales	Oil	X		X				
Kristine Sullivan	Desk Marketing Associate	Oil Sales	Oil	X		X				
Bob Gillece	Managing Director, Sales	Oil Sales	Oil							
Barry Botman	Account Manager	Oil Sales	Oil							
Steve Parise	Managing Director, Wholesale Accounts	Oil Sales	Oil							
Mike Zampano	Director, Industrial & Asphalt Sales	Oil Sales	Oil							
		Pricing and Customer Service								
Burr Mosher	Director, Bid/Contract Management	Customer Service	Oil							
		Pricing and Customer Service								
Tom Van De Water	Director, Pricing & Customer Service	Customer Service	Oil	X		X				

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Employee	Position	Group	Commodity ¹	Sales / Marketing / System Supply Instruments						
				Buy/Sell	Thruput	Exchange Agreement	3rd Party Storage	Fixed Reseller	Forward	UGD
Steve Scammon	VP, Trading, Pricing and Customer Service	Oil Trading, Pricing & Customer Service	Oil/NG	X	X	X	X			
John Bischoff	VP, Oil Supply	Oil Supply	Oil/NG	X	X	X	X			
Steve Dunn	Manager, USAC Light Products	Oil Supply	Oil/NG	X	X	X	X			
Kevin Grant	Director, Business Development	Oil Supply	Oil	X			X		X	
Shamus Martin	Manager, International Petroleum	Oil Supply	Oil/NG	X	X	X	X			
Linda Theberge	Oil Trader	Oil Supply	Oil	X	X	X	X			
Lindsay Perret	Scheduler	Oil Supply	Oil	X	X	X	X			
Ken Fonseca	Senior Scheduler	Oil Supply	Oil			X	X			
Kathy Trottnier	Senior Scheduler	Oil Supply	Oil			X	X			
Tom Flaherty ²	VP, Sales	Oil Sales	Oil	X	X	X	X	X	X	X
David Daoust	Managing Director, Sales & E-Com	Oil Sales	Oil	X	X		X	X	X	X
Jess Albert	Pricing Analyst	Oil Sales	Oil	X					X	X
Natalie Hebert	Desk Marketing, E-Commerce	Oil Sales	Oil	X					X	X
Taylor Hudson	Programs Development Manager	Oil Sales	Oil	X					X	X
Hugh MacNaughton	Manager, Desk Marketing	Oil Sales	Oil						X	X
Kristyn Schweitzer	Desk Marketing, E-Commerce	Oil Sales	Oil	X					X	X
Kristine Sullivan	Desk Marketing Associate	Oil Sales	Oil	X					X	X
Bob Gillece	Managing Director, Sales	Oil Sales	Oil	X	X	X	X	X	X	X
Barry Botman	Account Manager	Oil Sales	Oil	X					X	X
Steve Parise	Managing Director, Wholesale Accounts	Oil Sales	Oil	X				X	X	X
Mike Zampano	Director, Industrial & Asphalt Sales	Oil Sales	Oil	X					X	X
Burr Mosher	Director, Bid/Contract Management	Pricing and Customer Service	Oil	X					X	
Tom Van De Water	Director, Pricing & Customer Service	Pricing and Customer Service	Oil						X	X

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Employee	Position	Group	Commodity ¹	Sales / Marketing / System Supply Instruments					
				Heat Curve	Downside Protection	Rack and Prompt	E-Commerce Forwards	Collar	Forward Basis
Steve Scammon	VP, Trading, Pricing and Customer Service	Oil Trading, Pricing & Customer Service	Oil/NG						
John Bischoff	VP, Oil Supply	Oil Supply	Oil/NG						
Steve Dunn	Manager, USAC Light Products	Oil Supply	Oil/NG						
Kevin Grant	Director, Business Development	Oil Supply	Oil			X			
Shamus Marlin	Manager, International Petroleum	Oil Supply	Oil/NG						
Linda Theberge	Oil Trader	Oil Supply	Oil						
Lindsay Perret	Scheduler	Oil Supply	Oil						
Ken Fonseca	Senior Scheduler	Oil Supply	Oil						
Kathy Trottnier	Senior Scheduler	Oil Supply	Oil						
Tom Flaherty ²	VP, Sales	Oil Sales	Oil	X	X	X		X	X
	Managing Director, Sales & E-Com	Oil Sales	Oil	X	X	X	X	X	X
David Daoust	Pricing Analyst	Oil Sales	Oil	X	X	X	X	X	X
Jess Albert	Desk Marketing, E-Commerce	Oil Sales	Oil	X	x	x	x	x	x
Natalie Hebert	Programs Development Manager	Oil Sales	Oil	X	X	X	X	X	X
Taylor Hudson	Manager, Desk Marketing	Oil Sales	Oil	X	X	X	X	X	X
Hugh MacNaughton	Desk Marketing, E-Commerce	Oil Sales	Oil	X	x	x	x	x	x
Kristyn Schweitzer	Desk Marketing Associate	Oil Sales	Oil	X	X	X	X	X	X
Kristine Sullivan	Managing Director, Sales	Oil Sales	Oil	X	x	x		x	x
Bob Gillece	Account Manager	Oil Sales	Oil	X	x	x		x	x
Barry Botman	Managing Director, Wholesale Accounts	Oil Sales	Oil	X	X	X		X	X
Steve Parise	Director, Industrial & Asphalt Sales	Oil Sales	Oil	X	X	X		X	X
Mike Zampano	Director, Bid/Contract Management	Pricing and Customer Service	Oil			X	X		X
Burr Mosher	Director, Pricing & Customer Service	Pricing and Customer Service	Oil	X	X	X	X	X	X
Tom Van De Water									

¹ Nat Gas authorization only for specifically approved cross commodity positions² Authorization for rack and forward sales can be provided to sales staff as appropriate³ In addition to 24 month contract term, term of forward positions limited to 32 months. Longer term contracts (25 to 60 months) require Sprague President (or designee if President unavailable) approval.

Employee	Position	Group	Commodity ¹	Contract Term ³					
				Balance Next day of Month	1 Month Forward	2.8 Months Forward	7-12 Months Forward	13-18 Months Forward	19-24 Months Forward
		Oil Trading, Pricing & Customer Service							
Steve Scammon	VP, Trading, Pricing and Customer Service	Oil Supply	Oil/NG	X	X	X	X	X	X
John Bischoff	VP, Oil Supply	Oil Supply	Oil/NG	X	X	X	X	X	X
Steve Dunn	Manager, USAC Light Products	Oil Supply	Oil/NG	X	X	X	X	X	X
Kevin Grant	Director, Business Development Manager, International	Oil Supply	Oil	X	X	X	X	X	X
Shamus Martin	Petroleum	Oil Supply	Oil/NG	X	X	X	X	X	X
Linda Theberge	Oil Trader	Oil Supply	Oil	X	X	X	X	X	X
Lindsay Perret	Scheduler	Oil Supply	Oil	X	X	X	X	X	X
Ken Fonseca	Senior Scheduler	Oil Supply	Oil	X	X	X	X		
Kathy Trottnier	Senior Scheduler	Oil Supply	Oil	X	X	X	X		
Tom Flaherty ²	VP, Sales	Oil Sales	Oil		X	X	X	X	X
David Daoust	Managing Director, Sales & E-Com	Oil Sales	Oil		X	X	X	X	X
Jess Albert	Pricing Analyst	Oil Sales	Oil		X	X	X	X	X
Natalie Hebert	Desk Marketing, E-Commerce Programs Development	Oil Sales	Oil		X	X	X	X	X
Taylor Hudson	Manager	Oil Sales	Oil		X	X	X	X	X
Hugh MacNaughton	Manager, Desk Marketing	Oil Sales	Oil		X	X	X	X	X
Kristyn Schweitzer	Desk Marketing, E-Commerce	Oil Sales	Oil		X	X	X	X	X
Kristine Sullivan	Desk Marketing Associate	Oil Sales	Oil		X	X	X	X	X
Bob Gilles ^o	Managing Director, Sales	Oil Sales	Oil		X	X	X	X	X
Barry Botman	Account Manager	Oil Sales	Oil		X	X	X	X	X
Steve Parise	Managing Director, Wholesale Accounts	Oil Sales	Oil		X	X	X	X	X
Mike Zampano	Director, Industrial & Asphalt Sales	Oil Sales	Oil		X	X	X	X	X
Burr Mosher	Director, Bid/Contract Management	Pricing and Customer Service	Oil		X	X	X	X	X
Tom Van De Water	Director, Pricing & Customer Service	Pricing and Customer Service	Oil		X	X	X	X	X

¹ Nat Gas authorization only for specifically approved cross commodity positions² Authorization for rack and forward sales can be provided to sales staff as appropriate³ In addition to 24 month contract term, term of forward positions limited to 32 months. Longer term contracts (25 to 60 months) require Sprague President (or designee if President unavailable) approval.

<u>Employee</u>	<u>Position</u>	<u>Commodity</u>	<u>Logistics/ Storage</u>	
			<u>Transport</u>	<u>Storage¹</u>
Brian Weep	VP, Natural Gas	NG	X	x
Sorter Pasalic	Director, Nat Gas Pricing and Supply	NG	X	X
Bill Nvahnv	Manager, Financial Trading	NG	X	X
Tom Withka	Trader	NG	X	X
Shaun Kennedy	Trader	NG	X	X
Andrew Ronald ²	Manager, Nat Gas Scheduling & Logistics	NG	X	X
Marlene Manning	Team Lender, Nat Gas Logistics	NG	X	X
Elaine Moron	Team Leader, Nat Gas Logistics	NG	X	X
Dan Smith	Director, Nat Gas Opt; & Business Analysis	NG	X	x
Tana Ream	Manager, Nat Gas Forecasting & Asset Mgmt	NO	X	x
Mark Roberts	Managing Director, Nat Gas Sales & Marketing	NG		
Claude Peyrot	Director, Nat Gas Mid Market Sales	NG		
Dave Pickens	Director, Nat Gas Commercial & Industrial Sales	NG		
Kevin Piotrowski	Manager, Nat Gas Desk Sales	NG		

- 1 - Storage includes park and loans, firm or interruptible, leased or owned.
- 2 - Authority can be extended to staff as necessary
- 3 - Includes NYMEX look-a-likes and Gas Daily options
- 4 - Includes time, basis, and cross commodity Nat Gas / Oil futures spreads
- 5 - Transactions with contract term of more than 24 months (term of positions more than 32 months) can be undertaken as hedges of transportation contracts or customer sales commitments, noting that sales to customers with contract terms of over 24 months (term of positions more than 32 months) require Sprague President (or designee if President unavailable) approval.

Employee	Position	Commodity	Index / Fixed Price Futures	Trading / Hedging Instruments							
				Physicals	Index Physicals	Swing Swaps	Financial Basis	Fixed- for- Float Swaps	Future Options	OTC Options ³	Spreads ⁴
Brian Meg	VP, Natural Gas	NG	X	X	X	X	X	X	X	X	X
Senor Pasalic	Director, Nat Gas Pricing and Supply	NG	X	x	x	x	X	X	X	X	X
Bill Nvayah	Manager, Financial Trading	NG	X	X	X	X			X	X	X
Tom Wilhka	Trader	NG	X	X	X	X	X	X	X	X	X
Shaun Kennedy	Trader	NG	X	X	X	X	X	X	X	X	X
Andrew Ronald ²	Manager, Nat Gas Scheduling & Logistics	NG		X	X		X	X			
Marlene Manning	Team Leader, Nat Gas Logistics	NG		X	X						
Elaine Moran	Team Leader, Nat Gas Logistics	NG		X	X						
Dan Smith	Director, Nat Gas Cps & Business Analysis	NG		X	X						
Tana Ream	Manager, Nat Gas Forecasting & Asset Wall	NG									
Mark Roberts	Managing Director, Nat Gas Sales & Marketing	NC									
Claude Peyrot	Director, NM Gas Mid Market Sales	NG									
Dave Pickens	Director, Nat Gas Commercial & Industrial Sales	NG									
Kevin Piotrowski	Manager, Nat Gas Desk Salon	NG									

1 - Storage includes park and loans, firm or interruptible, leased or owned.

2 - Authority can be extended to staff as necessary

3 - Includes NYMEX look-a-likes and Gas Daily options

4 - Includes time, basis, and cross commodity Nat Gas I Oil futures spreads

5 - Transactions with contract term of more than 24 months (term of positions more than 32 months) can be undertaken as hedges of transportation contracts or customer sales commitments, noting that sales to customers with contract terms of over 24 months (term of positions more than 32 months) require Sprague President (or designee if President unavailable) approval.

<u>Employee</u>	<u>Position</u>	<u>Commodity</u>
Brian Wengo	VP, Natural Gas	NC
Senor Pasalic	Director, Nat Gas Pricing and Supply	NG
Bill Nvahay	Manager, Financial Trading	NG
Tom Withka	Trader	NG
Shaun Kennedy	Trader	NG
Andrew Ronald ²	Manager, Nat Gas Scheduling & Logistics	NG
Marlene Manning	Team Leader, Nat Gas; Logistics	NG
Elaine Moran	Team Leader, Nat Gas Logistics	NG
Dan Smith	Director, Nat Gas Opt; & Business Analysis	NG
Tana Ream	Manager, Nat Gas Forecasting & Asset Mgm't	NG
Mark Roberto	Managing Director, Nat Gas Sales & Marketing	NG
Claude Peyrot	Director, Nat Gas Mid Market Sales	NG
Dave Pickens	Director, Nat Gas Commercial & Industrial Sales	NG
Kevin Piotrowski	Manager, Nat Gas Desk Sales	NG

- 1 - Storage includes park and loans, firm or interruptible, teased or owned.
- 2 - Authority can be extended to staff as necessary
- 3 - Includes NYMEX look-a-likes and Gas Daily options
- 4 - Includes time, basis, and cross commodity Nat Gas / Oil futures spreads
- 5 - Transactions with contract term of more than 24 months (term of positions more than 32 months) can be undertaken as hedges of transportation contracts or customer sales commitments, noting that sales to customers with contract terms of over 24 months (term of positions more than 32 months) require Sprague President (or designee if President unavailable) approval.

<u>Employee</u>	<u>Position</u>	<u>Commodity</u>	<u>Contract Term⁵</u>			
			<u>Balance Next Day</u>	<u>1 Month of Month</u>	<u>Forward</u>	<u>2.32 Months Forward</u>
Brian Weego	VP, Natural Gas	NG	X	X	X	X
Senor Pasalic	Director, Nat Gas; Pricing and Supply	NO	X	X	X	X
Bill Nyahay	Manager, Financial Trading	NO	X	X	X	X
Tons Withka	Trader	NG	X	X	X	X
Shaun Kennedy	Trader	NG	X	X	X	X
Andrew Ronald ²	Manager, Nat Otto Scheduling & Logistics	NO	X	X		
Marlene Manning	Team Leader, Nat Gas Logistics	NG	X	X		
Elaine Moran	Team Leader, Nat Gas Logistics	NG	X	X		
Dan Smith	Director, Nat Gas Opt & Business Analysis;	NO	X	X	X	X
Tana Roam	Manager, Nat Gas Forecasting & Asset Mgm't	NO	X	X		
Mark Roberts	Managing Director, Nat One Sales & Marketing	NG	X	X	X	X
Claude Peyrot	Director, Nat GU Mid Market Sales	NO	X	X	X	X
Dave Pickens	Director, Nat Gas Commercial & Industrial Sales	NO	X	X	X	X
Kevin Piotrowski	Manager, Nat Gas Desk <u>Sales</u>	NG	X	x	x	x

1 - Storage includes park and loans, firm or interruptible, leased or owned.

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3 - Includes NYMEX look-a-likes and Gas Daily options

4 - Includes time, basis, and cross commodity Nat Gas I Oil futures spreads

5 - Transactions with contract term of more than 24 months (term of positions more than 32 months) can be undertaken as hedges of transportation contracts or customer sales commitments, noting that sales to customers with contract terms of over 24 months (term of positions more than 32 months) require Sprague President (or designee if President unavailable) approval.

<u>PRODUCT NAME</u>	<u>Avery Lane</u>	<u>Everett</u>	<u>Oswego</u>	<u>Portland Merrill</u>	<u>Providence</u>	<u>Quincy</u>	<u>River Road</u>	<u>Searsport</u>	<u>South Portland</u>	<u>TRT</u>
Aggregates				X				X		
Asphalt	X	X	X		X		X	X	X	
Aviation Fuel	X								X	
Calcium Chloride			X					X		
Caustic Soda							X	X		X
Cement							X	X		
China Clay								X	X	
Coal				X	X			X	X	
Furnace Slag				X				X		
Government Petroleum						X			X	
Gypsum				X			X	X		
Heavy Lift				X				X		
Iron Oxide				X				X		
Logs				X				X		
Lumber				X				X		
Paper (rolled or bundled)				X				X		
Petcoke				X				X		
Pulp (baled)				X				X		
Recycled Oil							X			
Salt				X	X		X	X	X	
Scrap				X				X		
Seaweed				X				X		
Sugar				X						
Tallow							X			
Tapioca				X				X		
Urea				X				X		
Veg Oil										X
Wood Pellets - Bagged				X				X		
Wood Pellets - Bulk								X		
Wood Chips - Bulk							X	X		

[Reserved]

FORM OF CASH COLLATERAL DOCUMENTATION FOR LETTERS OF CREDIT

FOR VALUE RECEIVED, the undersigned, [] (the "Borrower") hereby assigns, transfers and pledges to JPMORGAN CHASE BANK, N.A., as administrative agent for the benefit of the Secured Parties (the "Administrative Agent") under the Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Sprague Operating Resources LLC, Kildair Service Ltd. and Sprague Resources ULC, as borrowers, the Lenders from time to time parties thereto, the Administrative Agent, and the other agents parties thereto, and grants to the Administrative Agent for the ratable benefit of the Secured Parties a security interest in, all of such Borrower's right, title and interest in and to the following accounts maintained by the Administrative Agent (the "Accounts");

[]	[]	[]
[]	[]	[]

or such other number as may be subsequently assigned or maintained by the undersigned with the Administrative Agent, together with any subaccounts relating thereto and together with all monies or proceeds due or to become due thereunder or deposited therein, any and all additional or renewed deposit of said monies or proceeds, any and all property of whatever kind and nature in the account or in which such monies or proceeds may be invested, and all sums due or to become due on, or with respect to, such account by way of interest, dividend, bonus, redemption or otherwise and the proceeds of all of the foregoing (all hereinafter collectively known as the "Collateral").

Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement.

This assignment, pledge, transfer and security interest is given and made to the Administrative Agent by the Borrower as collateral security for the Obligations.

The Borrower represents, warrants and covenants that: (i) the Collateral is not subject to any other security interest, except in favor of the Administrative Agent and as permitted under the Credit Agreement; and (ii) the Borrower shall not, at any time during which any Obligations are outstanding, assign, pledge or grant a security interest in any of the Collateral, except as permitted under the Credit Agreement.

The Borrower further represents and warrants that (a) it is the legal owner of the Collateral, subject to this agreement and Liens permitted under the Credit Agreement; (b) it has full power, authority and legal right to pledge and grant the security interests in and liens upon the Collateral; (c) this agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation enforceable in accordance with its terms; (d) no consent of any other person (including, without limitation, its stockholders or creditors) and no consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority, domestic or foreign, is required to be obtained by it in connection with the execution, delivery and performance of this agreement, other than as set forth in Section 5.4 of the Credit Agreement; and (e) the execution, delivery or performance of this agreement (i) will not violate any Requirement of Law, including any rules or regulations promulgated by the FERC, in each case to the

extent applicable to or binding upon the Borrower, except where such violation could not reasonably be expected to have a Material Adverse Effect and except as set forth in Section 5.4 of the Credit Agreement and (ii) will not result in, or require, the creation or imposition of any Lien on any of its properties or revenues pursuant to any such Requirement of Law or Contractual Obligation (other than as created hereunder and Liens permitted by the Credit Agreement).

The Borrower hereby irrevocably authorizes and empowers the Administrative Agent at any time, and from time to time, during the existence of any Event of Default, either in its own name or in the name of the undersigned: (i) to apply, demand, set-off, collect and receive payment of any and all monies, property or proceeds due or to become due in respect of the Collateral; (ii) to execute any and all instruments required for the application, withdrawal or repayment of the same, or any part thereof; (iii) to insert in any instrument for the application or withdrawal of funds signed by the undersigned, the date and amount due under the Collateral or any part thereof and to complete such instrument in any respect; and (iv) to have dominion and control over the Collateral in all respects and to deal with the Collateral as the sole holder thereof, and the undersigned hereby irrevocably constitutes and appoints the Administrative Agent as its attorney-in-fact to do any and all of the aforesaid. The rights of the Administrative Agent hereunder are in addition to the rights of the Administrative Agent under any other security or similar agreement. Without limitation of the foregoing, the Administrative Agent shall apply any of the Collateral for the reimbursement of all or any portion of any (i) Reimbursement Obligation with respect to any Letter of Credit that has been Cash Collateralized or (ii) L/C Participation Obligation of any Defaulting Lender with respect to any Letter of Credit that has been Cash (100%) Collateralized, in each case, pursuant to the terms of the Credit Agreement and then to any other Obligations.

The Borrower will, at its own expense, promptly execute and deliver all further instruments and documents, and take all further action, including, without limitation, the execution and filing of financing statements and amendments to financing statements under the Uniform Commercial Code that the Administrative Agent may from time to time reasonably deem necessary or desirable in order to create, perfect and protect any security interest granted or purported to be granted hereby or to enable the Administrative Agent to enforce its rights and remedies hereunder with respect to any Collateral. The Administrative Agent may, at its discretion and without the undersigned's signature where permitted by applicable law, file one or more financing statements and amendments to financing statements under the Uniform Commercial Code naming the undersigned as debtor and the Administrative Agent as secured party and indicating therein the types or describing the items of Collateral herein specified; provided, however that, the Administrative Agent shall, if practical under the circumstances, provide to the Borrower three (3) Business Days prior written notice of the right to review any such filings and the Administrative Agent shall provide the Borrower with copies of such filings.

So long as no Default or Event of Default shall have occurred and be continuing, the Administrative Agent shall release to the Borrower any cash from time to time held in the Accounts not required to be Cash Collateralized or Cash (100%) Collateralized pursuant to the Credit Agreement, including without limitation, pursuant to Sections 3.4(b), 3.6(c), 4.7, 4.18 and 9, as applicable, and upon the indefeasible payment in full in cash of all Obligations, the termination of all Letters of Credit, and the termination of all Commitments, the Administrative Agent shall release all cash held in the Accounts and delivery of such cash shall discharge in full the Administrative Agent's obligations to the Borrower with respect to release and return of the Collateral.

The Borrower agrees to indemnify the Administrative Agent for any costs and expenses, including, without limitation, reasonable counsel's fees and disbursements, which the Administrative Agent may incur in connection with any enforcement of its security interest, liens and other rights hereunder.

No delay on the Administrative Agent's part in exercising any power or right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof or the exercise of any other power or right. The rights, remedies and benefits herein expressly specified are cumulative and not exclusive of any rights, remedies or benefits that the Administrative Agent may otherwise have. This agreement shall be binding upon the assigns and successors of the Borrower (except that the Borrower may not assign this agreement without the Administrative Agent's prior written consent) and shall constitute a continuing agreement, applying to all future as well as existing transactions in connection with the Credit Agreement or any Obligations, whether or not of the character contemplated as of the date of this agreement.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. BY ITS EXECUTION HEREOF, THE BORROWER HEREBY SUBMITS TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS LOCATED IN THE COUNTY OF NEW YORK, NEW YORK AND CONSENTS TO THE SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING BROUGHT AGAINST IT BY THE ADMINISTRATIVE AGENT BY MEANS OF REGISTERED MAIL TO THE ADDRESS OF THE UNDERSIGNED SET FORTH IN SECTION 11.2 OF THE CREDIT AGREEMENT. NOTHING HEREIN, HOWEVER, SHALL PREVENT SERVICE OF PROCESS BY ANY OTHER MEANS RECOGNIZED AS VALID BY LAW. NONE OF THE TERMS HEREOF MAY BE WAIVED, ALTERED OR AMENDED EXCEPT BY A WRITING DULY SIGNED BY THE BORROWER. IF ANY TERMS HEREOF SHALL BE HELD TO BE INVALID, ILLEGAL OR UNENFORCEABLE, THE VALIDITY OF ALL OTHER TERMS SHALL IN NO WAY BE AFFECTED THEREBY.

THE BORROWER HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING UNDER OR RELATING TO THIS AGREEMENT.

IN WITNESS WHEREOF, the Borrower has caused this agreement to be executed this day of , .

[SPRAGUE OPERATING RESOURCES LLC]

By: _____
Name:
Title:

[SPRAGUE RESOURCES ULC]

By: _____
Name:
Title:

[KILDAIR SERVICE LTD.]

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Name:
Title:

FORM OF U.S. MORTGAGE AND SECURITY AGREEMENT

After recording please return to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Elaine Cronin

Quincy, Massachusetts

MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS, AND FIXTURE FILING

made by

SPRAGUE OPERATING RESOURCES LLC, as Mortgagor,

to

JPMORGAN CHASE BANK, N.A.,

as Administrative Agent and Mortgagee

Dated as of [], 2014

Location: _____

_____ County

[Maximum Principal Amount of Obligations] Notwithstanding anything contained herein to the contrary, the maximum principal amount of Obligations secured by this Mortgage at the time of execution hereof or which under any contingency may become secured by this Mortgage at any time hereafter is plus all interest payable on such principal amount under the Credit Agreement and all amounts expended by Mortgagee in accordance with the Credit Agreement and this Mortgage for the payment of (a) taxes, charges, or assessments which may be imposed by law upon the premises; (b) premiums on insurance policies covering the premises; (c) expenses incurred in upholding the lien of this Mortgage, including, but not limited to (1) the expenses of any litigation to prosecute or defend the rights and lien created by this Mortgage; (2) any amount, cost or charges to which the Mortgage becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority and (3) interest at the rate of interest provided for in the Credit Agreement.]

MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES AND RENTS, AND FIXTURE FILING

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS, AND FIXTURE FILING, dated as of [], 2014, is made by SPRAGUE OPERATING RESOURCES LLC, a Delaware limited liability company ("Mortgagor"), whose address is 185 International Drive, Portsmouth, New Hampshire 03801, to JPMORGAN CHASE BANK, N.A., as administrative agent under the Credit Agreement referred to below (in such capacity, together with its successors and assigns, "Mortgagee"), whose address is 277 Park Avenue, 22nd Floor, New York, New York 10172. References to this "Mortgage" or "Security Document" shall mean this instrument and any and all renewals, modifications, amendments, supplements, extensions, consolidations, substitutions, spreaders and replacements of this instrument.

BACKGROUND

Reference is made to that certain Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, supplemented or otherwise modified from time-to-time, the "Credit Agreement"), with Mortgagor, Kildair Service Ltd. ("Kildair"), Sprague Resources ULC ("AcquireCo"), and together with Kildair and the Mortgagor, the "Borrowers"), the several lenders party thereto from time to time (the "Lenders"), JPMorgan Chase Bank, N.A., as administrative agent, JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian agent, JPMorgan Chase Bank, N.A. and BNP Paribas, as co-collateral agents, and certain other Persons named as agents therein as a party thereto. The terms of the Credit Agreement are incorporated by reference in this Mortgage as if the terms thereof were fully set forth herein. In the event of any conflict between the provisions of this Mortgage and the provisions of the Credit Agreement, the applicable provisions of the Credit Agreement shall govern and control.

Pursuant to the Credit Agreement, the Lenders have severally agreed to make loans to and participate in letters of credit issued for the account, and the Issuing Lenders have agreed to issue letters of credit for the account of, the Borrowers upon the terms and subject to the conditions set forth therein.

In consideration of the Lenders agreement to make their respective Loans and the Issuing Lenders to issue their Letters of Credit to or for the account of the Borrowers under the Credit Agreement, Mortgagor has agreed to execute and deliver this Mortgage, as security for the Obligations, to Mortgagee for the ratable benefit of the Secured Parties.

GRANTING CLAUSES

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor agrees that to secure complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations;

SUBJECT TO THE TERMS AND CONDITIONS HEREIN, MORTGAGOR DOES HEREBY IRREVOCABLY MORTGAGE, GRANT, BARGAIN, SELL, PLEDGE, ASSIGN, WARRANT, TRANSFER AND CONVEY TO MORTGAGEE, IN EACH CASE FOR THE RATABLE BENEFIT OF THE SECURED PARTIES, THE FOLLOWING PROPERTY, RIGHTS, INTERESTS AND ESTATES NOW OWNED, OR HEREAFTER ACQUIRED BY MORTGAGOR:

All of the estate, right, title, claim or demand whatsoever of Mortgagor, in possession or expectancy, in and to those certain tracts of land, described in Exhibit A, attached hereto and made a part hereof (the "Land");

The rights, interests and estates created under those certain servitudes, easements, rights of way, privileges, franchises, prescriptions, licenses, leases, permits and/or other rights described in Exhibit A, attached hereto and made a part hereof, and all of Mortgagor's right, title and interest (whether now owned or hereafter acquired by operation of Law or otherwise) in any servitudes, easements, rights of way, privileges, franchises, prescriptions, licenses, leases, permits and/or other rights in and to any land, in any county and section shown on Exhibit A even though they may be incorrectly described in or omitted from such Exhibit A relating to the Land, together with any amendments, renewals, extensions, supplements, modifications or other agreements related to the foregoing, and further together with any other servitudes, easements, rights of way, privileges, prescriptions, franchises, licenses, permits and/or other rights (whether presently existing or hereafter created and whether now owned or hereafter acquired by operation of Law or otherwise) used, held for use in connection with, or in any way related to the Land;

All of Mortgagor's right, title and interest (whether now owned or hereafter acquired by operation of Law or otherwise) in and to any and all buildings, improvements, structures, fixtures, or any other real property (collectively, the "Improvements"; together with the Land, the "Real Estate") located on the Land;

All rights, estates, powers and privileges appurtenant to the rights, interests and properties set forth in clauses (a)-(c) above;

without limiting any other provision of these granting clauses, all right, title and interest of Mortgagor in, to and under all easements, rights of way, licenses, operating agreements, abutting strips and gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water and flowage rights, development rights, air rights, mineral and soil rights, plants, standing and fallen timber, and all estates, rights, titles, interests, privileges, licenses, tenements, hereditaments and appurtenances belonging, relating or pertaining to the Real Estate, and any reversions, remainders, rents, issues, profits and revenue thereof and all land lying in the bed of any street, road or avenue, in front of or adjoining the Land to the center line thereof;

all right, title and interest of Mortgagor in, to and under all of the fixtures, chattels, business machines, machinery, apparatus, equipment, furnishings, fittings, appliances and articles of personal property of every kind and nature whatsoever, and all appurtenances and additions thereto and substitutions or replacements thereof (together with, in each case, attachments, components, parts and accessories) currently owned or subsequently acquired by Mortgagor and now or subsequently attached to, or contained in or used or usable in any way in connection with any operation or letting of the Mortgaged Property (as defined below), including but without limiting the generality of the foregoing, all screens, awnings, shades, blinds, curtains,

draperies, artwork, carpets, rugs, storm doors and windows, furniture and furnishings, heating, electrical, and mechanical equipment, lighting, switchboards, plumbing, ventilating, air conditioning and air-cooling apparatus, refrigerating, and incinerating equipment, escalators, elevators, loading and unloading equipment and systems, stoves, ranges, laundry equipment, cleaning systems (including window cleaning apparatus), telephones, communication systems (including satellite dishes and antennae), televisions, computers, sprinkler systems and other fire prevention and extinguishing apparatus and materials, security systems, motors, engines, machinery, pipes, hoses, pumps, tanks, loading racks, wharves, docks, pipelines, conduits, appliances, fittings and fixtures of every kind and description held in connection with the operation of, and located on, the Mortgaged Property, and all licenses and permits of whatever nature, including, but not limited to, that now or hereafter used or held for use in connection with the Mortgaged Property, and all renewals or replacements of the foregoing or substitutions for the foregoing provided that the foregoing items described in this clause (f) shall not include any rights or property excluded as collateral in the Security Agreement or the Credit Agreement (all of the foregoing non-excluded rights or property in this paragraph (f) being referred to as the "Equipment");

all right, title and interest of Mortgagor in and to all substitutes and replacements of, and all additions and improvements to, the Mortgaged Property and the Equipment, subsequently acquired by Mortgagor (or released from the lien of any equipment financing after the date hereof) or constructed, assembled or placed by Mortgagor on the Mortgaged Property, immediately upon such acquisition, release, construction, assembling or placement, including, without limitation, any and all building materials whether stored at the Mortgaged Property or offsite, and, in each such case, without any further deed, conveyance, "assignment or other act by Mortgagor provided that the foregoing items described in this clause (g) shall not include any rights or property excluded as collateral in the Security Agreement or the Credit Agreement;

all right, title and interest of Mortgagor in, to and under all leases, subleases, underlettings, concession agreements, management agreements, licenses and other similar agreements granting to a third party a right to use or occupancy of the Mortgaged Property or the Equipment or any part thereof, now existing or subsequently entered into by Mortgagor and whether written or oral and all guarantees of any of the foregoing (collectively, as any of the foregoing may be amended, restated, extended, renewed or modified from time to time, the "Leases"), and all rights of Mortgagor in respect of cash and securities deposited thereunder and the right to receive and collect the revenues, income, rents, issues and profits thereof, together with all other rents, royalties, issues, profits, revenue, income and other benefits arising from the use and enjoyment of the Mortgaged Property (as defined below) (collectively, the "Rents");

all unearned premiums under insurance policies now or subsequently obtained by Mortgagor relating to the Mortgaged Property or Equipment and Mortgagor's interest in and to all proceeds of any such insurance policies (including title insurance policies) including the right to collect and receive such proceeds, subject to the provisions relating to insurance generally set forth below; and all awards and other compensation, including the interest payable thereon and the right to collect and receive the same, made to the present or any subsequent owner of the Mortgaged Property or Equipment for the taking by eminent domain, condemnation or otherwise, of all or any part of the Mortgaged Property or any easement or other right therein subject to the provisions set forth below; and

to the extent the grant of a Lien therein is not prohibited under the applicable contract, consent, license or other item unless the appropriate consent has been obtained and not prohibited by applicable law, all right, title and interest of Mortgagor in and to (i) all contracts from time to time executed by Mortgagor or any manager or agent on its behalf relating to the ownership, construction, maintenance, repair, operation, occupancy, sale or financing of the Mortgaged Property or Equipment or any part thereof and all agreements and options relating to the purchase or lease of any portion of the Mortgaged Property or any property which is adjacent or peripheral to the Mortgaged Property which are appurtenant to the ownership of the Mortgaged Property, together with the right to exercise such options and all leases of Equipment, (ii) all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, completion, occupancy, use or operation of the Mortgaged Property or any part thereof, and (iii) all drawings, plans, specifications and similar or related items relating to the Mortgaged Property.

(All of the foregoing property and rights and interests now owned or held or subsequently acquired by Mortgagor and described in, and not excluded from, the foregoing clauses (a) through (j) are collectively referred to as the "Mortgaged Property").

TO HAVE AND TO HOLD the Mortgaged Property and the rights and privileges hereby granted unto Mortgagee, its successors and assigns for the uses and purposes set forth, until the Obligations are fully paid and fully performed and the Commitments no longer remain in effect.

TERMS AND CONDITIONS

Mortgagor further represents, warrants, covenants and agrees with Mortgagee and the Secured Parties as follows:

- Defined Terms. Capitalized terms used herein (including in the "Background" and "Granting Clauses" sections above) and not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement. References in this Mortgage to the "Default Rate" shall mean the interest rate applicable pursuant to Section 4.2(c)(iii) of the Credit Agreement.
- Warranty of Title. Mortgagor warrants that it has good record title in fee simple to the Real Estate, and good title to the rest of the Mortgaged Property, subject only to the matters that are set forth in Schedule B of the title insurance policy or policies being issued to Mortgagee to insure the lien of this Mortgage and any other lien or encumbrance as permitted by Section 8.3 of the Credit Agreement (collectively, the "Permitted Exceptions"). Mortgagor shall warrant, defend and preserve such title and the lien of this Mortgage against all claims of all persons and entities (not including the holders of the Permitted Exceptions). Mortgagor represents and warrants that it has the right and authority to mortgage the Mortgaged Property.
- Payment Pursuant to the Loan Documents. Mortgagor shall pay and perform the Obligations which it is obligated to pay and perform at the times and places, and in the manner specified, in the Loan Documents to which it is a party.

- Requirements. a) Subject to the applicable provisions of the Credit Agreement, Mortgagor shall promptly comply with, or cause to be complied with, and conform to all Requirements of Law of all Governmental Authorities which have jurisdiction over the Mortgaged Property, and all covenants, restrictions and conditions now or later of record which may be applicable to any of the Mortgaged Property, or to the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of any of the Mortgaged Property, except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.
- From and after the date of this Mortgage, Mortgagor shall not by act or omission permit any building or other improvement on any premises not subject to the lien of this Mortgage or owned or operated by Mortgagor or any other Loan Party to rely on the Mortgaged Property or any part thereof or any interest therein in order to fulfill any Requirement of Law; provided, that the foregoing shall not prevent, restrict or otherwise limit any such reliance to the extent existing on of the date of this Mortgage to fulfill any Requirement of Law. Mortgagor shall not by act or omission impair in any material respect the integrity of any of the Real Estate as a single zoning lot(s) and tax lot(s) separate and apart from all other premises not owned or operated by Mortgagor or another Loan Party and are not covered by a mortgage or deed of trust in favor of Mortgagee.
- Payment of Taxes and Other Impositions. b) Except as permitted by Section 7.12 of the Credit Agreement, promptly when due or prior to the date on which any fine, penalty, interest or cost may be added thereto or imposed, Mortgagor shall pay and discharge all real property taxes and assessments of every kind and nature, all charges for any easement or agreement maintained for the benefit of any of the Mortgaged Property, all general and special real property assessments, levies, permits, inspection and license fees, all water and sewer rents and charges, vault taxes, and all other public charges even if unforeseen or extraordinary, imposed upon or assessed against or which may become a lien on any of the Mortgaged Property, or arising in respect of the occupancy, use or possession thereof, together with any penalties or interest on any of the foregoing (all of the foregoing are collectively referred to as "Impositions"). If there is an Event of Default which is continuing, Mortgagor shall within thirty (30) days after each due date deliver to Mortgagee (i) original or copies of receipted bills and cancelled checks evidencing payment of such Imposition if it is a real estate tax or other public charge and (ii) evidence reasonably acceptable to Mortgagee showing the payment of any other such Imposition. If by law any Imposition, at Mortgagor's option, may be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Mortgagor may elect to pay such Imposition in such installments and shall be responsible for the payment of such installments with interest, if any.
- If the Mortgagor has failed to pay an Imposition within thirty (30) days of when it is due, Mortgagee with notice to Mortgagor may pay any such Imposition at any time thereafter. Any sums paid by Mortgagee in discharge of any Impositions shall be payable on demand by Mortgagor to Mortgagee and the amount so paid shall be added to the Obligations. Any sums paid by Mortgagee in discharge of any Impositions shall be (i) a lien on the Mortgaged Property secured hereby prior to any right or title to, interest in, or claim upon the Mortgaged Property subordinate to the lien of this Mortgage, and (ii) payable on demand by Mortgagor to Mortgagee together with interest at the Default Rate.

-
- Mortgagor shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Imposition by appropriate legal proceedings, but such right shall not be deemed or construed with respect to any material Imposition, in any way as relieving, modifying, or extending Mortgagor's covenant to pay any such material Imposition at the time and in the manner provided in this Section unless (i) Mortgagor has given prior written notice to Mortgagee of Mortgagor's intent so to contest or object to a material Imposition, and (ii) Mortgagor shall either (x) furnish a good and sufficient bond or surety as requested by and reasonably satisfactory to Mortgagee or (y) maintain adequate reserves in conformity with GAAP on Mortgagor's books, in each case in the amount of the material Imposition which is being contested plus any interest and penalty which may be imposed thereon and which could become a lien against the Real Estate or any part of the Mortgaged Property.
 - Insurance. c) Subject to the applicable provisions of the Credit Agreement, Mortgagor shall maintain or cause to be maintained on all of the Mortgaged Property, in such form and in such amounts as, from time to time, shall be acceptable to Mortgagee, in its sole reasonable discretion, the following insurance:
 - property insurance against loss or damage by fire, lightning, windstorm, tornado, water damage, flood, earthquake and by such other further risks and hazards as now are or subsequently may be covered by an "all risk" policy or a fire policy covering "special" causes of loss, and the policy limits shall be automatically reinstated after each loss in amounts customary for companies in similar businesses similarly situated;
 - commercial general liability insurance under a policy including the "broad form CGL endorsement" (or which incorporates the language of such endorsement), covering claims for personal injury, bodily injury or death, or property damage occurring on, in or about the Mortgaged Property with respect to injury and property damage relating to any one occurrence in amounts customary for companies in similar businesses similarly situated; and
 - such other insurance in such amounts as Mortgagee may reasonably request from time to time against loss or damage by any other risk commonly insured against by persons occupying or using like properties for similar businesses in the locality or localities in which the Real Estate is situated.
 - Each property insurance policy shall (x) be provided by insurance companies which have a Best's rating of at least "AXII", (y) provide that it shall not be cancelled, non-renewed or materially amended without at least thirty (30) days' prior written notice to Mortgagee, and (z) with respect to all property insurance, provide for deductibles in an amount reasonably satisfactory to Mortgagee, and contain a "Replacement Cost Endorsement" without any deduction made for depreciation and with no co-insurance penalty (or attaching an agreed amount endorsement reasonably satisfactory to Mortgagee), without contribution, under a "standard" or "New York" mortgagee clause reasonably acceptable to Mortgagee. Liability insurance policies shall name Mortgagee for the ratable benefit of the Secured Parties, as an additional insured and contain a waiver of subrogation against Mortgagee and the other Secured Parties. Each policy of property insurance shall expressly provide that any proceeds which are payable to Mortgagee shall be paid by check payable to the order of Mortgagee only and requiring the endorsement of Mortgagee only.

- Mortgagor shall deliver to Mortgagee a certificate of such insurance reasonably acceptable to Mortgagee. Mortgagor shall (i) pay as they become due all premiums for such insurance and (ii) not later than fifteen (15) days prior to the expiration of each policy to be furnished pursuant to the provisions of this Section, deliver a renewed policy or policies, or duplicate original or originals thereof, marked "premium paid," or accompanied by such other evidence of payment reasonably satisfactory to Mortgagee.
- If Mortgagor is in default of its obligations to insure or deliver any such prepaid policy or policies, then Mortgagee, at its option and with notice to Mortgagor, may effect such insurance from year to year, and pay the premium or premiums therefor, and Mortgagor shall pay to Mortgagee, within thirty (30) days of Mortgagee's demand therefor, such premium or premiums so paid by Mortgagee with interest from the time of payment at the Default Rate.
- Mortgagor promptly shall comply with and conform to (i) all material provisions of each such insurance policy, and (ii) all material requirements of the insurers applicable to Mortgagor or to any of the Mortgaged Property or to the use, manner of use, occupancy, possession, operation, maintenance, alteration or repair of any of the Mortgaged Property. Mortgagor shall not use or permit the use of the Mortgaged Property in any manner which would not allow the Mortgagor to obtain the insurance policies required pursuant to this Section 6.
- If the Mortgaged Property, or any material part thereof, shall be destroyed or damaged, Mortgagor shall give notice thereof to Mortgagee. All insurance proceeds shall be paid and applied pursuant to Section 4.7(c) of the Credit Agreement (subject to any right set forth therein of Mortgagor to use the proceeds to repair or replace the Mortgaged Property). Notwithstanding the preceding sentence, provided that no Event of Default shall have occurred and be continuing, but expressly subject to the provisions of Section 4.7(c) of the Credit Agreement, Mortgagor shall have the right to adjust such loss, and the insurance proceeds relating to such loss shall be paid over to Mortgagor.
- In the event of foreclosure of this Mortgage or other transfer of title to the Mortgaged Property to the Mortgagee, all right, title and interest of Mortgagor in and to any insurance policies, solely with respect to the Mortgaged Property, then in force shall pass to the purchaser or grantee.
- Mortgagor may maintain insurance required under this Mortgage by means of one or more blanket insurance policies maintained by Mortgagor; provided, however, that (A) any such policy shall specify, or Mortgagor shall furnish to Mortgagee a written statement from the insurer so specifying, the maximum amount of the total insurance afforded by such blanket policy that is allocated to the Mortgaged Property and the other Mortgaged Property and any sublimits in such blanket policy applicable to the Mortgaged Property and the other Mortgaged Property, (B) each such blanket policy shall include an endorsement providing that, in the event of a loss resulting from an insured peril, insurance proceeds shall be allocated to the Mortgaged Property in an amount equal to the coverages required to be maintained by Mortgagor

as provided above and (C) the protection afforded under any such blanket policy shall be no less than that which would have been afforded under a separate policy or policies as required hereunder relating only to the Mortgaged Property.

- Restrictions on Liens and Encumbrances. Except for the lien of this Mortgage and the Permitted Exceptions, and except as expressly permitted under the Credit Agreement or this Mortgage, Mortgagor shall not, without the prior written consent of Mortgagee, further mortgage, nor otherwise encumber the Mortgaged Property nor create or suffer to exist any lien, charge or encumbrance on the Mortgaged Property, or any part thereof, whether superior or subordinate to the lien of this Mortgage and whether recourse or non-recourse.
- Due on Sale and Other Transfer Restrictions. Except as expressly permitted under the Credit Agreement, Mortgagor shall not, without the prior written consent of Mortgagee, sell, transfer, convey or assign all or any portion of, or any interest in, the Mortgaged Property. Notwithstanding anything herein to the contrary, so long as no Event of Default has occurred and is continuing, the Mortgagor may use, lease and dispose of all or any part of the Mortgaged Property in the ordinary course of its business, subject to the terms of the Credit Agreement and the provisions of this Mortgage.
- Condemnation/Eminent Domain. Subject to the Credit Agreement, upon obtaining knowledge of the institution of any proceedings for the condemnation of the Mortgaged Property, or any portion thereof, Mortgagor will notify Mortgagee of the pendency of such proceedings. Mortgagee is hereby authorized and empowered by Mortgagor to settle or compromise any claim in connection with such condemnation and to receive all awards and proceeds thereof to be applied pursuant to Section 4.7(c) of the Credit Agreement. Notwithstanding the preceding sentence, provided no Event of Default shall have occurred and be continuing, but expressly subject to the provisions of Section 4.7(c) of the Credit Agreement (including any right set forth therein of Mortgagor to use the proceeds to repair or replace the Mortgaged Property), (i) Mortgagor shall, at its expense, diligently prosecute any proceeding relating to such condemnation, (ii) Mortgagor may settle or compromise any claims in connection therewith and (iii) Mortgagor may receive any awards or proceeds thereof, provided that Mortgagor shall (a) in the event of a partial taking of an individual Mortgaged Property and to the extent reasonably possible promptly repair and restore Mortgaged Property to its condition prior to such condemnation, regardless of whether any award shall have been received or whether such award is sufficient to pay for the costs of such repair and restoration or (b) otherwise comply with the provisions of the Credit Agreement relating to the disposition of Net Cash Proceeds from a Recovery Event or otherwise.
- Leases. Except as expressly permitted under the Credit Agreement, Mortgagor shall not (a) execute an assignment or pledge of any Lease relating to all or any portion of the Mortgaged Property other than in favor of Mortgagee, or (b) during the continuance of an Event of Default, execute any Lease of any of the Mortgaged Property without the written consent of Mortgagee. Mortgagor shall deliver to Mortgagee copies of all leases promptly upon the request of Collateral Agent.

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- Further Assurances. To further assure Mortgagee's rights under this Mortgage, Mortgagor agrees upon written demand of Mortgagee to do any act or execute any additional documents (including, but not limited to, security agreements on any personalty included or to be included in the Mortgaged Property and a separate assignment of each Lease in recordable form) as may be reasonably required by Mortgagee to confirm the lien of this Mortgage and all other rights or benefits conferred on Mortgagee by this Mortgage.
 - Mortgagee's Right to Perform. If Mortgagor fails to perform any of the covenants or agreements of Mortgagor contained herein, within the applicable grace period, if any, provided for in the Credit Agreement, Mortgagee, without waiving or releasing Mortgagor from any obligation or default under this Mortgage may, (but shall be under no obligation to) at any time upon delivery of written notice to Mortgagor pay or perform the same, and the amount or cost thereof, with interest at the Default Rate, shall be due on demand from Mortgagor to Mortgagee and the same shall be secured by this Mortgage and shall be a lien on the Mortgaged Property prior to any right, title to, interest in, or claim upon the Mortgaged Property attaching subsequent to the lien of this Mortgage. No payment or advance of money by Mortgagee under this Section shall be deemed or construed to cure Mortgagor's default or waive any right or remedy of Mortgagee.
 - Representations and Warranties.
 - As of the date hereof, to the knowledge of Mortgagor, the Real Estate, and the use and operation thereof, comply in all material respects with all Requirements of Law, including, without limitation, building and zoning ordinances and codes and the Americans with Disabilities Act except for such noncompliance as does not and will not, in the aggregate, result in any Material Adverse Effect. There has not been committed by Mortgagor or, to Mortgagor's knowledge, any other Person in occupancy of or involved with the operation or use of the Mortgaged Property any act or omission affording any Governmental Authority the right of forfeiture as against the Mortgaged Property or any part thereof.
 - As of the date hereof, Mortgagor has not received notice of the commencement of any condemnation or other eminent domain proceeding and, to Mortgagor's knowledge, no such proceeding is threatened or contemplated with respect to all or any portion of the Real Estate or for the relocation of roadways providing access to the Real Estate which would have a Material Adverse Effect.
 - As of the date hereof, there are adequate rights of access to public ways from the Real Estate and the Real Estate is served by water, sewer, sanitary sewer and storm drain facilities adequate to service the Mortgaged Property for full utilization of the Mortgaged Property for its intended uses. All public utilities necessary to the full use and enjoyment of the Mortgaged Property as currently used and enjoyed are located either in the public right-of-way abutting the Real Estate (which are connected so as to serve the Real Estate without passing over other property) or in recorded easements serving the Real Estate and such easements are set forth in and insured by the Title Insurance Policy. All roads necessary for the use of the Real Estate for its current purposes either (i) have been completed and dedicated to public use and accepted by all Governmental Authorities or (ii) the use thereof is provided by private easement adequate for the present use of the Mortgaged Property. The Real Estate has, or to the knowledge of Mortgagor, is served by, parking to the extent required to comply with all Requirements of Law.

- The Real Estate is assessed for real estate tax purposes as one or more wholly independent tax lot or lots, separate from any adjoining land or improvements not constituting a part of such lot or lots, and no other land or improvement is assessed and taxed together with the Real Estate or any portion thereof.
- As of the date hereof, to Mortgagor's knowledge after due inquiry, there are no pending or proposed special or other assessments for public improvements or otherwise affecting the Mortgaged Property, nor are there any contemplated improvements to the Mortgaged Property that may result in such special or other assessments.
- All mortgage, mortgage recording, stamp, intangible or other similar tax required to be paid by any Person under any Requirements of Law currently in effect in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Loan Documents, including, without limitation, any Mortgage and Security Agreement, have been paid or will be paid.
- As of the date hereof, except to the extent waived by Collateral Agent, the survey for the Real Estate delivered to Lender in connection with this Mortgage accurately reflects the Real Estate, and to the knowledge of the Mortgagor does not fail to reflect any material matter affecting the Real Estate or the title thereto, except as set forth in Exhibit B attached hereto.
- As of the date hereof, there are no Leases affecting the Mortgaged Property except as provided on Schedule I hereof.
- Covenants.
- Access to Property. Subject to the applicable provisions of the Credit Agreement, the Mortgagor shall permit agents, representatives and employees of the Collateral Agent to inspect the Mortgaged Property or any part thereof at reasonable intervals upon reasonable advance notice during regular business hours.
- Awards; Insurance Proceeds. The Mortgagor shall cooperate with the Collateral Agent in obtaining for the Collateral Agent the benefits of any Net Cash Proceeds lawfully or equitably payable in connection with any Recovery Event to the extent required by the Credit Agreement, and the Collateral Agent shall be reimbursed for any expenses incurred in connection therewith (including reasonable, actual attorneys' fees and disbursements, as to any Approved Acquisition Asset, the payment by Mortgagor of the expense of an appraisal on behalf of the Collateral Agent in case of a casualty or condemnation affecting the Property or any part thereof) out of such Net Cash Proceeds.
- Zoning. Mortgagor shall not initiate or consent to any zoning reclassification of any portion of the Real Estate or seek any variance under any existing zoning ordinance or use or permit the use of any portion of the Real Estate in any manner that could result in such use becoming a non-conforming use under any zoning ordinance or any other applicable land use law, rule or regulation, without the prior written consent of the Collateral Agent, which consent shall not be unreasonably withheld, conditioned or delayed.

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- No Joint Assessment. Mortgagor shall not suffer, permit or initiate the joint assessment of the Real Estate with (a) any other real property constituting a tax lot separate from the Real Estate, or (b) any portion of the Real Estate which may be deemed to constitute personal property, or any other procedure whereby the Lien of any taxes which may be levied against such personal property shall be assessed or levied or charged to the Real Estate.
 - Reciprocal Easement Agreements. Mortgagor shall not enter into, terminate or modify any reciprocal easement agreement ("REA") without the Collateral Agent's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Mortgagor shall enforce, comply with, and cause each of the parties to any REA to comply with all of the material economic terms and conditions contained in the REA.
 - Defense of Title. The Mortgagor will preserve its interest in and title to the Mortgaged Property and shall cause this Mortgage, and each amendment, modification or supplement hereto, to be recorded and filed and to be kept recorded and filed in such manner and in such places, as may be required by law in order to establish, preserve and protect the validity and priority of the Lien and security interest created herein against the claims of all Persons whomsoever claiming by, through or under the Mortgagor).
 - Remedies.
 - Upon the occurrence and during the continuance of any Event of Default, Mortgagee may immediately take such action, without notice or demand (except as otherwise provided herein) only to the extent permitted by applicable law, it deems reasonably necessary to protect and enforce its rights against Mortgagor and in and to the Mortgaged Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise to the extent permitted by applicable law, at such time and in such manner as Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Mortgagee:
 - Mortgagee may at its option, in addition to other remedies provided at law and to the extent permitted under the Credit Agreement, declare all sums secured by this Mortgage immediately due and payable without presentment, demand, protest, notice of protest and non-payment or other notice of default or notice of acceleration or notice of intention to acceleration or other notice of any kind, all of which are hereby waived by Mortgagor and all other parties obligated in any manner whatsoever to pay and/or perform the Obligations (except to the extent required hereunder or under the Credit Agreement or any other Loan Document, or under any provision of applicable law that cannot be waived).
 - To the extent permitted under applicable law, Mortgagee may elect to sell the Mortgaged Property or any part thereof to be at such place or places and otherwise in the manner and upon such notice or notices as may be required under any Requirements of Law (and Mortgagor hereby waives, to the extent permitted under applicable law, any

right it may have under Requirements of Law to direct the order of sale); provided, however, that Mortgagee may offset its bid at any such sale to the extent of the full amount owed to Mortgagee under the Credit Agreement, including, without limitation, expenses of sale, and costs, expenses, and attorney fees incurred by or on behalf of Mortgagee in connection with collecting, litigating, or otherwise enforcing any right under the Credit Agreement. Mortgagee may postpone the sale of all or any portion of the Mortgaged Property by public announcement made at the initial time and place of sale, and from time to time later by public announcement made at the time and place of sale fixed by the preceding postponement. Mortgagee shall deliver to the purchaser at such public auction its deed conveying the Mortgaged Property sold, but without any covenant or warranty, express or implied. The recital in such deed of any matter of fact shall be conclusive proof of its truthfulness. Any person, including Mortgagor or Mortgagee, may purchase at such sale.

- The proceeds or avails of any sale made under or by virtue of this Mortgage, together with any other sums secured by this Mortgage, which then may be held by the Mortgagee or any other person, shall be applied pursuant to Section 15(e) hereof and the Credit Agreement.
- Mortgagee may, to the extent permitted by applicable law, (A) institute and maintain an action of judicial or non-judicial foreclosure against all or any part of the Mortgaged Property, (B) institute and maintain an action on the Credit Agreement, the Guarantee, or any other Loan Document, or (C) take such other action at law or in equity for the enforcement of this Mortgage or any of the Loan Documents as the law may allow. Mortgagee may proceed in any such action to final judgment and execution thereon for all sums due hereunder, together with interest thereon at the applicable Default Rate or a lesser amount if required by law and all costs of suit, including, without limitation, reasonable attorneys' fees and disbursements. To the fullest extent permitted by applicable law and the Credit Agreement, interest at the Default Rate shall be due on any judgment obtained by Mortgagee from the date of judgment until actual payment is made of the full amount of the judgment.
- Mortgagee may, to the extent permitted by applicable law, personally, or by its agents, attorneys and employees and without regard to the adequacy or inadequacy of the Mortgaged Property or any other collateral as security for the Obligations enter into and upon the Mortgaged Property and each and every part thereof and exclude Mortgagor and its agents and employees therefrom without liability for trespass, damage or otherwise (Mortgagor hereby agreeing to surrender possession of the Mortgaged Property to Mortgagee upon demand at any such time) and use, operate, manage, maintain and control the Mortgaged Property and every part thereof. Following such entry and taking of possession, Mortgagee shall be entitled, without limitation, (x) to lease all or any part or parts of the Mortgaged Property for such periods of time and upon such conditions as Mortgagee may, in its discretion, deem proper, (y) to enforce, cancel or modify any Lease subject to the rights of any existing tenants and (z) generally to execute, do and perform any other act, deed, matter or thing concerning the Mortgaged Property as Mortgagee shall deem appropriate as fully as Mortgagor might do.

- If Mortgagor remains in possession after demand by Mortgagee for surrender of possession of the Mortgaged Property, such continued possession by Mortgagor shall be as tenant of Mortgagee, and Mortgagor agrees to pay monthly in advance to Mortgagee such rent for the Mortgaged Property so occupied as Mortgagee may demand, and in default of doing so, Mortgagor may also be dispossessed by summary proceedings or otherwise. In case of the appointment of a receiver of the Rents, the foregoing agreement of Mortgagor to pay rent shall inure to the benefit of such receiver.
- In case of a foreclosure sale, the Mortgaged Property may be sold, at Mortgagee's election, in one parcel or in more than one parcel and Mortgagee is specifically empowered (without being required to do so, and in its sole and absolute discretion) to cause successive sales of portions of the Mortgaged Property to be held as more particularly described in Section 15(a)(ii), to the extent permitted under the terms of the Credit Agreement.
- In the event of any breach of any of the covenants, agreements, terms or conditions contained in this Mortgage and the expiration of any applicable notice and/or grace period, Mortgagee shall be entitled to enjoin such breach and obtain specific performance of any covenant, agreement, term or condition and Mortgagee shall have the right to invoke any equitable right or remedy as though other remedies were not provided for in this Mortgage.
- To the extent permitted by applicable law, upon completion of any sale or sales made by Mortgagee under or by virtue of this Mortgage and upon satisfaction of any redemption period required by law, Mortgagee shall execute and deliver to the purchaser or purchasers at such sale or sales a good and sufficient instrument, or good and sufficient instruments, conveying, assigning and transferring all estate, right, and title and interest of Mortgagor in and to the property and rights sold. To the extent permitted by applicable law, any such sale or sales made by virtue of nonjudicial or judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Mortgagor in and to the properties and rights to be sold, and shall be a perpetual bar both at law and in equity, of Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from through or under Mortgagor. To the extent permitted by applicable law, the purchaser at any foreclosure sale hereunder may disaffirm any easement granted or lease made in violation of any provision of this Mortgage, and may take immediate possession of the Mortgaged Property free from, and despite the terms of, such grant of easement or rental or lease agreement.
- It is agreed that if an Event of Default shall occur and be continuing, any and all proceeds of the Mortgaged Property received by Mortgagee shall be held by Mortgagee for the benefit of the Secured Parties as collateral security for the Obligations (whether matured or unmatured), and shall be applied in payment of the Obligations in the manner and in the order set forth in Section 8(b) of the Security Agreement.
- Right of Mortgagee to Credit Sale. To the extent permitted under applicable law, upon the occurrence of any sale made under this Mortgage in connection with the exercise of remedies hereunder upon the occurrence and during the continuation of any Event of Default, whether made by virtue of judicial or nonjudicial proceedings or of a judgment or

decree of foreclosure and sale, Mortgagee may bid for and acquire the Mortgaged Property or any part thereof. In lieu of paying cash therefor, Mortgagee may make settlement for the purchase price by crediting upon the Obligations or other sums secured by this Mortgage, the net sales price after deducting therefrom the expenses of sale and the cost of the action and any other sums which Mortgagee is authorized to deduct under this Mortgage. In such event, this Mortgage, the Credit Agreement, the Guarantee and the Security Documents evidencing expenditures secured hereby may be presented to the person or persons conducting the sale in order that the amount so used or applied may be credited upon the Obligations as having been paid.

- Appointment of Receiver. If an Event of Default shall have occurred and be continuing, Mortgagee as a matter of right and without notice to Mortgagor, unless otherwise required by applicable law, and without regard to the adequacy or inadequacy of the Mortgaged Property or any other collateral or the interest of Mortgagor therein as security for the Obligations, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers or other manager of the Mortgaged Property, without requiring the posting of a surety bond, and without reference to the adequacy or inadequacy of the value of the Mortgaged Property or the solvency or insolvency of Mortgagor or any other party obligated for payment of all or any part of the Obligations, and whether or not waste has occurred with respect to the Mortgaged Property, and Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor (except as may be required by law). Any such receiver or receivers or manager shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Mortgagee in case of entry as provided in this Mortgage, including, without limitation and to the extent permitted by law, the right to enter into leases of all or any part of the Mortgaged Property, (subject to the rights of Tenants under the Leases) and shall continue as such and exercise all such powers until the date of confirmation of sale of the Mortgaged Property unless such receivership is sooner terminated.
- Extension, Release, etc. d) Without affecting the lien or charge created by this Mortgage upon any portion of the Mortgaged Property not then or theretofore released as security for the full amount of the Obligations, Mortgagee may, from time to time and without notice (but subject to the terms of the Credit Agreement (including, without limitation, Section 11.2 thereof), agree to (i) release any person liable for the indebtedness borrowed or guaranteed under the Loan Documents, (ii) extend the maturity or alter any of the terms of the indebtedness borrowed or guaranteed under the Loan Documents or any other guaranty thereof, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Mortgagee's option any parcel, portion or all of the Mortgaged Property, (v) take or release any other or additional security for any obligation herein mentioned, or (vi) make compositions or other arrangements with debtors in relation thereto.
- No recovery of any judgment by Mortgagee and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of Mortgagor shall affect the lien created by this Mortgage or any liens, rights, powers or remedies of Mortgagee hereunder, and such liens, rights, powers and remedies shall continue unimpaired.
- If Mortgagee shall have the right to foreclose this Mortgage, Mortgagor authorizes Mortgagee at its option to foreclose the lien created by this Mortgage subject to the

rights of any tenants of the Mortgaged Property, to the extent permitted by applicable law. To the extent permitted by applicable law, the failure to make any such tenants parties defendant to any such foreclosure proceeding and to foreclose their rights, or to provide notice to such tenants as required in any statutory procedure governing a foreclosure of the Mortgaged Property, or to terminate such tenant's rights in such foreclosure will not be asserted by Mortgagor as a defense to any proceeding instituted by Mortgagee to collect the Obligations or to foreclose the lien created by this Mortgage.

- Unless expressly provided otherwise, in the event that Mortgagee's interest in this Mortgage and title to the Mortgaged Property or any estate therein shall become vested in the same person or entity, this Mortgage shall not merge in such title but shall continue as a valid lien on the Mortgaged Property for the amount secured hereby.
- Security Agreement under Uniform Commercial Code. e) It is the intention of the parties hereto that this Mortgage shall constitute a "security agreement" within the meaning of the Uniform Commercial Code (the "UCC") of the State in which the Mortgaged Property is located. If an Event of Default shall occur and be continuing, then in addition to having any other right or remedy available at law or in equity, Mortgagee shall have the option of either (i) proceeding under the UCC and exercising such rights and remedies as may be provided to a secured party by the UCC with respect to all or any portion of the Mortgaged Property which is personal property (including, without limitation, taking possession of and selling such property) or (ii) to the extent permitted by applicable law, treating such property as real property and proceeding with respect to both the real and personal property constituting the Mortgaged Property in accordance with Mortgagee's rights, powers and remedies with respect to the real property (in which event the default provisions of the UCC shall not apply). If Mortgagee shall elect to proceed under the UCC, and unless otherwise required by the Security Agreement, then ten (10) days' notice of sale of the personal property shall be deemed reasonable notice and the reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Mortgagee shall include, but not be limited to, reasonable attorneys' fees and legal expenses. At Mortgagee's request, Mortgagor shall assemble the personal property and make it available to Mortgagee at a place designated by Mortgagee which is reasonably convenient to both parties.
- Certain portions of the Mortgaged Property are or will become "fixtures" (as that term is defined in the UCC) on the Mortgaged Property, and this Mortgage, upon being filed for record in the real estate records of the county wherein such fixtures are situated, shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of said UCC upon such portions of the Mortgaged Property that are or become fixtures. The addresses of the Mortgagor, as debtor, and Mortgagee, as secured party, are set forth in the first page of this Mortgage.
- The real property to which the fixtures relate is described in Exhibit A attached hereto. The name, type of organization and jurisdiction of organization of the debtor for purposes of this financing statement are the name, type of organization and jurisdiction of organization of the Mortgagor set forth in the first paragraph of this Mortgage, and the name of the secured party for purposes of this financing statement is the name of the Mortgagee set forth in the first paragraph of this Mortgage. The mailing address of the Mortgagor/debtor is the

address of the Mortgagor set forth in the first paragraph of this Mortgage. The mailing address of the Mortgagee/secured party from which information concerning the security interest hereunder may be obtained is the address of the Mortgagee set forth in the first paragraph of this Mortgage. Mortgagor's organizational identification number is 2140249.

- Assignment of Rents. f) Mortgagor hereby assigns to Mortgagee the Rents as further security for the payment and performance of the Obligations, and Mortgagor grants to Mortgagee the right to enter the Mortgaged Property for the purpose of collecting the same and to let the Mortgaged Property or any part thereof, (subject to the rights of tenants under the Leases) and to apply the Rents on account of the Obligations. The foregoing assignment and grant is present and absolute and shall continue in effect until the Obligations secured hereby are paid in full and the Commitments no longer remain outstanding, but Mortgagee hereby waives the right to enter the Mortgaged Property for the purpose of collecting the Rents and Mortgagor shall be entitled to collect, receive, use and retain the Rents until the occurrence and during the continuance of an Event of Default; such right of Mortgagor to collect, receive, use and retain the Rents may be revoked by Mortgagee upon the occurrence and during the continuance of any Event of Default by giving not less than ten (10) days' written notice of such revocation to Mortgagor; in the event such notice is given, Mortgagor shall pay over to Mortgagee, or to any receiver appointed to collect the Rents, any lease security deposits and shall pay monthly in advance to Mortgagee, or to any such receiver, the fair and reasonable rental value as determined by Mortgagee for the use and occupancy of such part of the Mortgaged Property as may be in the possession of Mortgagor or any affiliate of Mortgagor, and upon default in any such payment Mortgagor and any such affiliate will vacate and surrender the possession of the Mortgaged Property to Mortgagee or to such receiver, and in default thereof may be evicted by summary proceedings or otherwise. Mortgagor shall not accept prepayments of installments of Rent to become due for a period of more than one month in advance (except for security deposits and estimated payments of percentage rent, if any).
- Mortgagor has not affirmatively done any act which would prevent Mortgagee from, or limit Mortgagee in, acting under any of the provisions of the foregoing assignment.
- Except for any matter disclosed in the Credit Agreement, no action has been brought or, to Mortgagor's knowledge, is threatened, which would interfere in any way with the right of Mortgagor to execute the foregoing assignment and perform all of Mortgagor's obligations contained in this Section and in the Leases.
- Additional Rights. To the extent permitted by applicable law, the holder of any subordinate lien or subordinate mortgage on the Mortgaged Property shall have no right to terminate any Lease whether or not such Lease is subordinate to this Mortgage nor shall Mortgagor consent to any holder of any subordinate lien or subordinate mortgage joining any tenant under any Lease in any action to foreclose the lien or modify, interfere with, disturb or terminate the rights of any tenant under any Lease. By recordation of this Mortgage all subordinate lienholders and the trustees and beneficiaries under subordinate mortgages are subject to and notified of this provision, and any action taken by any such lienholder contrary to this provision shall be null and void. Upon the occurrence and during the continuance of any Event of Default, Mortgagee, in its sole discretion and without regard to the adequacy of its

security under this Mortgage, apply all or any part of any amounts on deposit with Mortgagee under this Mortgage against all or any part of the Obligations. Any such application shall not be construed to cure or waive any Default or Event of Default or invalidate any act taken by Mortgagee on account of such Default or Event of Default.

- Notices. All notices, requests, demands and other communications hereunder shall be given in accordance with the provisions of Section 11.2 of the Credit Agreement to Mortgagor and to Mortgagee as specified therein.
- No Oral Modification. This Mortgage may not be amended, supplemented or otherwise modified except in accordance with the provisions of Section 11.1 of the Credit Agreement. To the extent permitted by applicable law, any agreement made by Mortgagor and Mortgagee after the date of this Mortgage relating to this Mortgage shall be superior to the rights of the holder of any intervening or subordinate lien or encumbrance.
- Partial Invalidity. In the event any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but each shall be construed as if such invalid, illegal or unenforceable provision had never been included.
- Mortgagor's Waiver of Rights. g) Mortgagor hereby voluntarily and knowingly releases and waives any and all rights to retain possession of the Mortgaged Property after the occurrence and during the continuance of an Event of Default and any and all rights of redemption from sale under any order or decree of foreclosure (whether full or partial), pursuant to rights, if any, therein granted, as allowed under any applicable law, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirectly) by, through or under each constituent of Mortgagor and on behalf of each and every person acquiring any interest in the Mortgaged Property subsequent to the date hereof, it being the intent hereof that any and all such rights or redemption of each constituent of Mortgagor and all such other persons are and shall be deemed to be hereby waived to the fullest extent permitted by applicable law or replacement statute. Each constituent of Mortgagor shall not invoke or utilize any such law or laws or otherwise hinder, delay, or impede the execution of any right, power, or remedy herein or otherwise granted or delegated to Mortgagee, but shall permit the execution of every such right, power, and remedy as though no such law or laws had been made or enacted.
- To the fullest extent permitted by law, Mortgagor waives the benefit of all laws now existing or that may subsequently be enacted providing for (i) any appraisalment before sale of any portion of the Mortgaged Property, (ii) any extension of the time for the enforcement of the collection of the Obligations or the creation or extension of a period of redemption from any sale made in collecting such debt and (iii) exemption of the Mortgaged Property from attachment, levy or sale under execution or exemption from civil process. To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisalment, valuation, stay, exemption, extension or redemption, or requiring foreclosure of this Mortgage before exercising any other remedy granted hereunder and Mortgagor, for Mortgagor and its successors and assigns, and for any and all persons ever claiming any interest

in the Mortgaged Property, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature (except as expressly provided in the Credit Agreement) or declare due the whole of the secured indebtedness and marshalling in the event of a sale by Mortgagee, or other rights hereby created. Mortgagor waives all rights of redemption.

- Remedies Not Exclusive. Mortgagee shall be entitled to enforce payment of the Obligations and performance of the Obligations and to exercise all rights and powers under this Mortgage or under any of the other Loan Documents or other agreement or any laws now or hereafter in force, notwithstanding some or all of the Obligations may now or hereafter be otherwise secured, whether by deed of trust, mortgage, security agreement, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by Mortgagee in such order and manner as Mortgagee may determine in its absolute discretion. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Loan Documents to Mortgagee or to which Mortgagee may otherwise be entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee as the case may be. To the extent permitted by applicable law, in no event shall Mortgagee, in the exercise of the remedies provided in this Mortgage (including, without limitation, in connection with the assignment of Rents to Mortgagee, or the appointment of a receiver and the entry of such receiver on to all or any part of the Mortgaged Property), be deemed a "Mortgagee in possession," and Mortgagee shall not in any way be made liable for any act, either of commission or omission, in connection with the exercise of such remedies.
- Multiple Security. If (a) the Mortgaged Property shall consist of one or more parcels, whether or not contiguous and whether or not located in the same county, or (b) in addition to this Mortgage, Mortgagee shall now or hereafter hold or be the beneficiary of one or more additional mortgages, liens, deeds of trust, mortgages or other security (directly or indirectly) for the Obligations upon other property in the State in which the Mortgaged Property is located (whether or not such property is owned by Mortgagor or by others) or (c) both the circumstances described in clauses (a) and (b) shall be true, then to the fullest extent permitted by law, Mortgagee may, at its election, commence or consolidate in a single foreclosure action all foreclosure proceedings against all such collateral securing the Obligations (including the Mortgaged Property), which action may be brought or consolidated in the courts of, or sale conducted in, any county in which any of such collateral is located. Mortgagor acknowledges that the right to maintain a consolidated foreclosure action is a specific inducement to Lenders to extend the indebtedness borrowed pursuant to or guaranteed by the Loan Documents, and Mortgagor expressly and irrevocably waives any objections to the commencement or consolidation of the foreclosure proceedings in a single action and any objections to the laying of venue or based on the grounds of forum non conveniens which it may now or hereafter have. Mortgagor further agrees that if Mortgagee shall be prosecuting one or more foreclosure or other proceedings against a portion of the Mortgaged Property or against any collateral other than the

Mortgaged Property, which collateral directly or indirectly secures the Obligations, or if Mortgagee shall have obtained a judgment of foreclosure and sale or similar judgment against such collateral, then, whether or not such proceedings are being maintained or judgments were obtained in or outside the State in which the Mortgaged Property is located, Mortgagee may commence or continue any foreclosure proceedings and exercise its other remedies granted in this Mortgage against all or any part of the Mortgaged Property and Mortgagor waives, to the extent permitted by applicable law, any objections to the commencement or continuation of a foreclosure of this Mortgage or exercise of any other remedies hereunder based on such other proceedings or judgments, and waives, to the extent permitted by applicable law, any right to seek to dismiss, stay, remove, transfer or consolidate either any action under this Mortgage or such other proceedings on such basis. Neither the commencement nor continuation of proceedings to foreclose this Mortgage, nor the exercise of any other rights hereunder nor the recovery of any judgment by Mortgagee in any such proceedings shall prejudice, limit or preclude Mortgagee's right to commence or continue one or more foreclosure or other proceedings or obtain a judgment against any other collateral (either in or outside the State in which the Mortgaged Property is located) which directly or indirectly secures the Obligations, and Mortgagor expressly waives any objections to the commencement of, continuation of, or entry of a judgment in such other sales or proceedings or exercise of any remedies in such sales or proceedings based upon any action or judgment connected to this Mortgage, and Mortgagor also waives any right to seek to dismiss, stay, remove, transfer or consolidate either such other sales or proceedings or any sale or action under this Mortgage on such basis. It is expressly understood and agreed that to the fullest extent permitted by law, Mortgagee may, at its election, cause the sale of all collateral which is the subject of a single foreclosure action at either a single sale or at multiple sales conducted simultaneously and take such other measures as are appropriate in order to effect the agreement of the parties to dispose of and administer all collateral securing the Obligations (directly or indirectly) in the most economical and least time-consuming manner.

- Successors and Assigns. All covenants of Mortgagor contained in this Mortgage are imposed solely and exclusively for the benefit of Mortgagee and its successors and assigns, and no other person or entity shall have standing to require compliance with such covenants or be deemed, under any circumstances, to be a beneficiary of such covenants, any or all of which may be freely waived in whole or in part by Mortgagee at any time if in the sole discretion of either of them such a waiver is deemed advisable. All such covenants of Mortgagor shall run with the land and bind Mortgagor, the successors and assigns of Mortgagor (and each of them) and all subsequent owners, encumbrancers and tenants of the Mortgaged Property, to the extent permitted by applicable law, and shall inure to the benefit of Mortgagee and its successors and assigns. The word "Mortgagor" shall be construed as if it read "Mortgagors" whenever the sense of this Mortgage so requires and if there shall be more than one Mortgagor, the obligations of the Mortgagors shall be joint and several.
- No Waivers, etc. Any failure by Mortgagee to insist upon the strict performance by Mortgagor of any of the terms and provisions of this Mortgage shall not be deemed to be a waiver of any of the terms and provisions hereof, and Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Mortgagor of any and all of the terms and provisions of this Mortgage to be performed by Mortgagor. Mortgagee may release, regardless of consideration and without the

necessity for any notice to or consent by the beneficiary of any subordinate mortgage or the holder of any subordinate lien on the Mortgaged Property, any part of the security held for the obligations secured by this Mortgage without, as to the remainder of the security, in any way impairing or affecting the lien of this Mortgage or the priority of this Mortgage over any subordinate lien or mortgage.

- Governing Law, etc. The Obligations secured hereby were incurred in connection with a multi-state transaction governed by the laws of the State of New York and pursuant to various documents which were executed and accepted by the Mortgagee in the State of New York. This Mortgage and all substantive terms and provisions hereof shall be governed by and construed according to the laws of the State of New York, except with respect to perfection of security interests and liens hereunder and enforcement thereof, which shall be governed by the laws of the State in which the Real Estate is located.
- Certain Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Mortgage shall be used interchangeably in singular or plural form and the word "Mortgagor" shall mean "each Mortgagor or any subsequent owner or owners of the Mortgaged Property or any part thereof or interest therein," the word "Mortgagee" shall mean "Mortgagee or any successor collateral agent for the Secured Parties," and the word "person" shall include any individual, corporation, partnership, limited liability company, trust, unincorporated association, government, governmental authority, or other entity. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. The captions in this Mortgage are for convenience or reference only and in no way limit or amplify the provisions hereof.
- Release. All or a portion of the Mortgaged Property may be released in accordance with Section 11.5 of the Credit Agreement.
- Last Dollars Secured; Priority. To the extent that this Mortgage secures only a portion of the Obligations owing or which may become owing by Mortgagor to the Secured Parties, the parties agree that any payments or repayments of any Extensions of Credit shall be and be deemed to be applied first to the portion of the Extensions of Credit that are not secured hereby, it being the parties' intent that the portion of the Extensions of Credit last remaining unpaid shall be secured hereby. If at any time this Mortgage shall secure less than all of the principal amount of the Obligations, it is expressly agreed that any repayments of the principal amount of the Obligations shall not reduce the amount of the lien of this Mortgage until such lien amount shall equal the principal amount of the Obligations outstanding.
- Receipt of Copy. The Mortgagor acknowledges that it has received a true copy of this Mortgage.
- Maturity. The last of the Extensions of Credit (and therefore, the Obligations) to mature is scheduled to mature on December 9, 2019.

- Maximum Principal Amount of Obligations. Notwithstanding anything contained herein to the contrary, the maximum principal amount of Obligations secured by this Mortgage at the time of execution hereof or which under any contingency may become secured by this Mortgage at any time hereafter is _____ plus all interest payable on such principal amount under the Credit Agreement and all amounts expended by Mortgagee in accordance with the Credit Agreement and this Mortgage for the payment of (a) taxes, charges, or assessments which may be imposed by law upon the premises; (b) premiums on insurance policies covering the premises; (c) expenses incurred in upholding the lien of this Mortgage, including, but not limited to (1) the expenses of any litigation to prosecute or defend the rights and lien created by this Mortgage; (2) any amount, cost or charges to which the Mortgage becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority and (3) interest at the rate of interest provided for in the Credit Agreement.
- State Specific Provisions. This Mortgage is granted with Mortgage Covenants and upon the Statutory Condition, for any breach of which the Mortgagee shall have the Statutory Power of Sale. Upon the occurrence and during the continuance of any Event of Default, the Mortgagee shall have the Statutory Power of Sale.
- Further Assurances. Should any deed, conveyance, or instrument of any nature be required from Mortgagor by Mortgagee to more fully and certainly vest in and confirm to the Mortgagee such estates rights, powers, and duties, then, upon request by the Mortgagee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged, and delivered and shall be caused to be recorded and/or filed by Mortgagor.
- Revolving Credit Loans. (a) The Indebtedness secured hereby includes, in part, revolving credit loans. The outstanding balance of such revolving credit loans may increase and decrease from time to time, and sums may be advanced, repaid and readvanced thereunder until final maturity of such revolving credit loans. This Mortgage is intended to secure all the Obligations, regardless of such repayments and readvances and regardless of whether the balance of such revolving credit loans may be reduced, from time to time, to zero.

(b) In addition to all other Indebtedness secured by this Mortgage, this Mortgage shall also secure, and constitute a first lien on the Mortgaged Property to secure, subject only to the Permitted Exceptions, all future advances whether such advances are obligatory or are to be made at the option of Mortgagee or the Lenders, or otherwise, made by Mortgagee or the Lenders under the Credit Agreement for any purpose within twenty (20) years from the date of this Mortgage (unless the Credit Agreement shall be earlier terminated) to the same extent as if such advances were made on the date of the execution of this Mortgage. The total amount of principal indebtedness, including future advances, that is secured by this Mortgage, may increase or decrease from time to time, but shall not exceed \$ _____ at any one time, together with interest thereon at the rates provided in the Credit Agreement and any disbursement made by Mortgagee or any of the Lenders to protect the security of this Mortgage, with interest on such disbursement at the Default Rate.

- No Assumption of Obligations. In the event of a foreclosure of this Mortgage, neither Mortgagee nor any other Secured Party shall assume any liability of _____

Mortgagor for Mortgagor's violation of any environmental laws, statutes, codes, regulations, or practices relating to the Mortgaged Property arising prior to the date of the foreclosure sale and Mortgagor's indemnifications as contained herein and in the other Loan Documents shall survive said foreclosure, to the extent provided therein.

[No further text on this page. Signature page follows.]

This Mortgage has been duly executed by Mortgagor as of the date first set forth above.

SPRAGUE OPERATING RESOURCES LLC, a Delaware
limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

State of New Hampshire

County of Rockingham

On this day of , 2014, before me, the undersigned notary public, personally appeared , proved to me through satisfactory evidence of identification, which were New Hampshire driver's license, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose as of SPRAGUE OPERATING RESOURCES LLC.

Notary Public
My commission expires: _____

State of New Hampshire

County of Rockingham

On this day of , 2014, before me, the undersigned notary public, personally appeared , proved to me through satisfactory evidence of identification, which were New Hampshire driver's license, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose as of SPRAGUE OPERATING RESOURCES LLC.

Notary Public
My commission expires: _____

SCHEDULE I

[LEASES]

Exhibit A

Applicable Legal Description(s)

See attached.

EXHIBIT B

[MATERIAL MATTERS NOT REFLECTED ON SURVEY]

FORM OF POSITION REPORT

JPMorgan Chase Bank N.A., as Administrative Agent
277 Park Avenue, 22nd Floor
New York, New York 10172
Attention: Dan Bueno

The Relationship Managers at each Lender

Re: Position Report

Reference is made to the Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Sprague Operating Resources LLC, Kildair Service Ltd. and Sprague Resources ULC, as Borrowers, the Lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto. Capitalized terms used herein but not defined herein shall have the meanings provided in the Credit Agreement. This Position Report has been prepared pursuant to Section 7.2(d) of the Credit Agreement and the undersigned hereby certifies on behalf of the [U.S. Borrower] [Canadian Borrower] to the Administrative Agent and the Lenders, as follows:

1. attached hereto as Schedule A is the Position Report of the [Loan Parties (other than the Canadian Borrower and its Subsidiaries)] [Canadian Borrower and its Subsidiaries];
2. the [Loan Parties (other than the Canadian Borrower and its Subsidiaries)] [Canadian Borrower and its Subsidiaries] are in compliance with the applicable position limits in the Risk Management Policy and attached hereto as Schedule B are the computations supporting such certification; and
3. the information contained herein and scheduled hereto is true and correct in all material respects as of the date hereof.

IN WITNESS WHEREOF, the undersigned has executed this Position Report as of the date set forth below.

Dated: _____, 201

[SPRAGUE OPERATING RESOURCES LLC, as U.S. Borrower

By: _____
Name:
Title:]

[KILDAIR SERVICE LTD., as Canadian Borrower

By: _____
Name:
Title:]

Position Report

[See attached]

Calculations Supporting Compliance

[See attached]

FORM OF GUARANTEE

AMENDED AND RESTATED GUARANTEE, dated as of December 9, 2014 (the "Guarantee"), made by Sprague Operating Resources LLC (the "U.S. Borrower"), Sprague Resources ULC ("AcquireCo"), Kildair Service Ltd. ("Kildair"), Sprague Resources LP (the "MLP") and each other signatory hereto (each a "Subsidiary Guarantor", collectively, together with each Person which may, from time to time, become party hereto as a Guarantor, the Borrowers and the MLP, the "Guarantors" or the "Loan Parties"), in favor of JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the "Administrative Agent") for the Secured Parties as defined in the Credit Agreement described below.

RECITALS

WHEREAS, pursuant to the Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the U.S. Borrower, AcquireCo and Kildair, as borrowers, the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"), the Administrative Agent and certain other agents party thereto, the Lenders have severally agreed to make loans to and participate in letters of credit issued on behalf of, and certain Lenders (the "Issuing Lenders") have agreed to issue letters of credit for the account of, the Borrowers (as defined in the Credit Agreement) upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrowers and the other Guarantors are engaged in related businesses, and each Guarantor will derive substantial direct and indirect benefit from the making of the extensions of credit to the Borrowers; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective loans to and participate in letters of credit issued on behalf of the Borrowers, and of the Issuing Lenders to issue their letters of credit, under the Credit Agreement that each Guarantor shall have executed and delivered this Guarantee to the Administrative Agent on behalf and for the ratable benefit of the Secured Parties.

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the Lenders and the Issuing Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective loans to and participate in letters of credit issued on behalf of the Borrowers, and of the Issuing Lenders to issue their letters of credit, under the Credit Agreement, each Guarantor hereby agrees with the Administrative Agent, on behalf and for the ratable benefit of the Secured Parties, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, capitalized terms which are defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The following terms shall have the following meanings:

"Corresponding Obligations": each Dutch Loan Party's Obligations as they may exist from time to time other than its Parallel Debt.

"Dutch Loan Party": Sprague Resources Coöperatief U.A., the U.S. Borrower and Sprague Co-op Member LLC.

"Parallel Debt": as defined in Section 28(a).

"Primary Obligations": with respect to any Loan Party, the unpaid principal amount of, and interest (including interest accruing after the maturity of the Loans and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization, arrangement or like proceeding, relating to such Loan Party, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) on the Loans and Reimbursement Obligations and all other obligations and liabilities, in each case, of such Loan Party to the Secured Parties and the Lenders, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, or out of or in connection with the Credit Agreement, the Notes, the Security Documents, any other Loan Documents (other than this Guarantee), any Letter of Credit, any Commodity OTC Agreement with a Qualified Counterparty, any Financial Hedging Agreement with a Qualified Counterparty or any Cash Management Bank Agreement with a Qualified Cash Management Bank, or any other document made, delivered or given in connection therewith or herewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees and disbursements of counsel to the Agents or to the Lenders that are required to be paid by such Loan Party pursuant to the terms of the Loan Documents (other than this Guarantee) or other agreement or instrument evidencing such obligations or liabilities) or otherwise.

"Qualified Keepwell Provider": in respect of any Swap Obligation, each Loan Party that, at the time the relevant guarantee (or grant of the relevant security interest, as applicable) becomes effective with respect to such Swap Obligation, has total assets exceeding \$10,000,000 or otherwise constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" with respect to such Swap Obligation at such time by entering into a keepwell pursuant to section 1a(18)(A)(v) (II) of the Commodity Exchange Act.

(b) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Guarantee shall refer to this Guarantee as a whole and not to any particular provision of this Guarantee, and section and paragraph references are to this Guarantee unless otherwise specified.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Guarantee.

(a) Each Guarantor hereby, unconditionally and irrevocably, guarantees to the Administrative Agent, on behalf and for the ratable benefit of the Secured Parties and their respective successors and permitted assigns, the prompt and complete payment and performance by each of the Loan Parties when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations (other than (i) with respect to any Guarantor, any Excluded Swap Obligations of such Guarantor and any Primary Obligations of such Guarantor and (ii) with respect to any Guarantor that is an Exempt CFC or a Subsidiary thereof, any U.S. Obligations) (the "Guaranteed Obligations").

(b) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under any other guarantee of the Obligations shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal, state, provincial and territorial laws relating to the insolvency of debtors and fraudulent conveyances or transfers.

(c) Each Guarantor further agrees (i) to pay any and all documented expenses (including, without limitation, all documented fees and disbursements of counsel) which may be paid or incurred by the Administrative Agent or any Secured Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, any Guarantor under this Guarantee and (ii) to indemnify each Secured Party as set forth in Section 11.6 of the Credit Agreement as if such Guarantor were a Borrower. Except as otherwise provided in the definition of "Obligations" contained in the Credit Agreement, this Guarantee shall remain in full force and effect until the Obligations are paid in full, no Letters of Credit remain outstanding (unless such Letters of Credit have been fully Cash Collateralized) and the Commitments are terminated, notwithstanding that from time to time prior thereto the Loan Parties may be free from any Obligations.

(d) As an original and independent obligation under this Guarantee, each Guarantor shall: (a) indemnify each Secured Party and keep each Secured Party indemnified against any cost, loss, expense or liability of whatever kind (other than (i) with respect to any Guarantor, any Excluded Swap Obligations of such Guarantor and any Primary Obligations of such Guarantor and (ii) with respect to any Guarantor that is an Exempt CFC or a Subsidiary thereof, any U.S. Obligations) resulting from the failure by the Borrowers to make due and punctual payment of any of the Obligations or resulting from any of the Obligations being or becoming void, voidable, unenforceable or ineffective against the Borrowers (or any Borrower) (including, but without limitation, all reasonable and documented legal and other costs, charges and expenses incurred by any Secured Party in connection with preserving or enforcing, or attempting to preserve or enforce, its rights under this Guarantee); and (b) pay on demand the amount of such cost, loss, expense or liability whether or not any Secured Party has attempted to enforce any rights against the Borrowers or any other person or otherwise.

(e) Each Guarantor agrees that the Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing this Guarantee or affecting the rights and remedies of the Administrative Agent or any Secured Party hereunder.

(f) No payment or payments made by any Borrower, any Guarantor, any other Loan Party, any other guarantor or any other Person or received or collected by the Administrative Agent or any Secured Party from any Borrower, any Guarantor, any other Loan Party, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Guarantors hereunder which shall, notwithstanding any such payment or payments other than payments made by any Guarantor in respect of the Guaranteed Obligations or payments received or collected from any Guarantor in respect of the Guaranteed Obligations, remain liable for the Obligations up to the maximum liability of each Guarantor hereunder until the Obligations are paid in full, no Letters of Credit remain outstanding (unless such Letters of Credit have been fully Cash Collateralized) and the Commitments are terminated.

(g) Each Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Secured Party on account of its liability hereunder, it will notify the Administrative Agent in writing that such payment is made under this Guarantee for such purpose.

(h) Each Guarantor shall pay additional amounts to, and indemnify, each Secured Party (including for purposes of this Section 2, any assignee, successor or participant) with respect to Taxes imposed on payments pursuant to this Guarantee to the same extent as the Borrowers would have paid additional amounts and indemnified such Secured Party with respect to Taxes under Section 4.10 and 4.11 of the Credit Agreement, if such Guarantor were a Borrower under the Credit Agreement. For the avoidance of doubt, any such payments are in addition to each Guarantor's obligation to pay any amounts required to be paid by the Loan Parties to any Secured Party. The agreements in this Section 2(h) shall survive the termination of this Guarantee and the payment of the Loans, Reimbursement Obligations, the Obligations and all other amounts payable under the Credit Agreement.

(i) Each Guarantor further agrees that any payment to the Administrative Agent or any Secured Party on account of its liability hereunder will be made without withholding for any Taxes, unless such withholding is required by law. If any Guarantor determines, in its sole discretion exercised in good faith, that it is so required to withhold Taxes, then such Guarantor may so withhold and shall timely pay the full amount of withheld Taxes to the relevant Governmental Authority in accordance with applicable law.

(j) Each Guarantor agrees to assume all responsibility for being and keeping itself informed of each Loan Party's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that each Guarantor assumes and incurs under this Guarantee, and agrees that neither the Administrative Agent, any Issuing Lender nor any Lender shall have any duty to advise any Guarantor of information known to it regarding those circumstances or risks.

3. Right of Contribution. Each Subsidiary Guarantor hereby agrees that, to the extent a Subsidiary Guarantor shall have paid more than its proportionate share of any payment made hereunder or in respect of the Guaranteed Obligations, such Subsidiary Guarantor shall be entitled to seek and receive contribution from and against any other Subsidiary Guarantor hereunder which has not paid its proportionate share of such payment; provided that no Subsidiary that is an Exempt CFC or a Subsidiary thereof shall be required to make such payment with respect to any U.S. Obligations. The provisions of this Section 3 shall be subject to the terms and conditions of Section 5. The provisions of this Section 3 shall in no respect limit the obligations and liabilities of any Subsidiary Guarantor to the Administrative Agent and the Secured Parties, and each Subsidiary Guarantor shall remain liable to the Administrative Agent and the Secured Parties for the full amount guaranteed by it hereunder.

4. Right of Set-off. In addition to any rights and remedies of the Secured Parties provided by Law, each Secured Party shall have the right, without prior notice to the Guarantors, any such notice being expressly waived by the Guarantors to the extent permitted by applicable Law, during the existence of an Event of Default, upon any amount becoming due and payable by any Guarantor hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Secured Party or any branch or agency thereof to or for the credit or the account of such Guarantor. Each Secured Party agrees promptly to notify the Guarantors and the Administrative Agent after any such set-off and application made by such Secured Party; provided that the failure to give such notice shall not affect the validity of such set-off and application.

5. No Subrogation. Notwithstanding any payment or payments made by the Guarantors hereunder or any set-off or application of funds of any Guarantor by any Secured Party, no

Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Secured Party against any Loan Party or any other guarantor or any collateral security or guarantee or right of offset held by any Secured Party for the payment of any of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from any Loan Party or any other guarantor in respect of payments made by any Guarantor hereunder, until all amounts owing to the Administrative Agent and the Secured Parties by the Loan Parties on account of the Obligations are paid in full and the Commitments are terminated. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full or any Letter of Credit remains outstanding (other than any Letter of Credit which has been fully Cash Collateralized), such amount shall be held by such Guarantor in trust for the Administrative Agent and the Secured Parties, segregated from other funds of the Guarantors unless on deposit in a Controlled Account, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in like form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent and the Secured Parties may determine.

6. Amendments, etc. with respect to the Obligations; Waiver of Rights. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against such Guarantor and without notice to or further assent by such Guarantor, any demand for payment of any of the Obligations made by the Administrative Agent or any Secured Party may be rescinded by such party and any of the Obligations continued, and any of the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Secured Party, and the Credit Agreement, the Notes and the other Loan Documents and any other documents executed and delivered in connection therewith or in connection with any other Obligations may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders or other requisite Secured Parties, as the case may be) may deem advisable from time to time in accordance with the provisions thereof, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Secured Party for the payment of any of the Obligations may be sold, exchanged, waived, surrendered or released in accordance with the provisions of the Loan Documents. Neither the Administrative Agent nor any Secured Party shall have any obligation to protect, secure, perfect, publish, register or insure any Lien at any time held by it as security for any of the Obligations or for this Guarantee or any property subject thereto. When making any demand hereunder against any Guarantor, the Administrative Agent or any Secured Party may, but shall be under no obligation to, make a similar demand on any Loan Party, any other guarantor or any other Person, and any failure by the Administrative Agent or any Secured Party to make any such demand or to collect any payments from any such Loan Party, any such other guarantor or any such other Person or any release of such Loan Party, such other guarantor or such other Person shall not relieve any Guarantor of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any Secured Party against such Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

7. Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Administrative Agent or any Secured Party upon this Guarantee or acceptance of this Guarantee, the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guarantee; and all dealings between the Loan Parties, on the one hand, and the Administrative Agent and the Secured

Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Guarantee. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon any Borrower, any other Guarantor or any other Person with respect to the Obligations. Each Guarantor understands and agrees that this Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, regularity or enforceability of the Credit Agreement, any Note, any other Loan Document or any other document relating to any Obligations, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Secured Party, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Loan Parties against the Administrative Agent or any Secured Party, or (c) any other circumstance whatsoever (with or without notice to or knowledge of any Loan Party) which constitutes, or might be construed to constitute, an equitable or legal discharge of any Loan Party or any other Person for any of the Obligations, or of any Guarantor under this Guarantee, in bankruptcy, insolvency or in any other instance. When pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent and any Secured Party may, but shall be under no obligation to, pursue such rights and remedies as it may have against any Loan Party or any other Person or against any collateral security or guarantee for any of the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Secured Party to pursue such other rights or remedies or to collect any payments from any such Loan Party or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any such Loan Party or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent and the Secured Parties against any Guarantor.

8. Reinstatement. This Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Loan Party, or upon or as a result of the appointment of a receiver, interim receiver, manager, intervenor or conservator of, or trustee or similar officer for, any Loan Party or any substantial part of its property, or otherwise, all as though such payments had not been made.

9. Not Affected by Bankruptcy. Notwithstanding any modification, discharge or extension of any of the Obligations or any amendment, modification, stay or cure of any Secured Party's rights which may occur in any reorganization, bankruptcy or insolvency filing, proceeding, case, petition, application or plan of arrangement with respect to any Borrower or any other Guarantor, whether permanent or temporary, and whether or not assented to by any of the Secured Parties, each of the Guarantors hereby agrees that the Guarantors shall be obligated hereunder to pay and perform the Guaranteed Obligations and discharge their other obligations in accordance with the terms of the Obligations and the terms of this Guarantee. Each Guarantor understands and acknowledges that, by virtue of this Guarantee, it has specifically assumed any and all risks of a reorganization, bankruptcy or insolvency filing, proceeding, case, petition, application or plan of arrangement with respect to any Borrower or any other Guarantor. Without in any way limiting the generality of the foregoing, any subsequent modification of any of the Obligations in any reorganization, bankruptcy or insolvency filing, proceeding, case, petition, application or plan of arrangement concerning any Loan Party shall not affect the obligation of any Guarantor to pay and perform the Guaranteed Obligations in accordance with the original terms thereof.

10. Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in the applicable currency in which the Borrower's applicable obligations are denominated at the office of the Administrative Agent specified in Section 11.2 of the Credit Agreement.

11. Keepwell. Each Qualified Keepwell Provider hereby jointly and severally absolutely, unconditionally, and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Guarantee in respect of any Swap Obligation (other than with respect to any Qualified Keepwell Provider that is an Exempt CFC or a Subsidiary thereof, any Swap Obligations that are U.S. Obligations) (provided, however, that each Qualified Keepwell Provider shall only be liable under this Section 11 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 11, or otherwise under this Guarantee, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified Keepwell Provider under this Section 11 shall remain in full force and effect until the Obligations are paid in full, no Letters of Credit remain outstanding (except for Letters of Credit which have been fully Cash Collateralized) and the Commitments are terminated. Each Qualified Keepwell Provider intends that this Section 11 constitute, and this Section 11 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

12. Representations and Warranties. Each Guarantor hereby represents and warrants that:

(a) it (i) is duly formed or organized, validly existing and (to the extent applicable in its jurisdiction of formation or organization) in good standing under the Laws of the jurisdiction of its organization, continuance or amalgamation, (ii) has the corporate (or analogous) power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (iii) is duly qualified as a foreign entity and in good standing under the Laws of each jurisdiction where such qualification is required, except where the failure to be so qualified or in good standing could not reasonably be expected to have a Material Adverse Effect and (iv) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect;

(b) it has the corporate (or analogous) power and authority, and the legal right, to execute, deliver and perform the Loan Documents to which it is a party and has taken all necessary corporate (or analogous) action to authorize the execution, delivery and performance of this Guarantee and the other Loan Documents to which it is a party. Except for (i) the filing or registration of UCC or PPSA financing statements, publication under the Civil Code of Québec and equivalent filings for foreign jurisdictions and the taking of applicable actions referred to in Section 5.16 of the Credit Agreement and (ii) the filings or other actions listed on Schedule 5.4 to the Credit Agreement (and including, without limitation, such other authorizations, approvals, registrations, actions, notices, or filings as have already been obtained, made or taken and are in full force and effect), no consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person, including without limitation the FERC, to which a Guarantor or other Loan Party is subject, is required in connection with the borrowings under the Credit Agreement or with the execution, delivery, validity or enforceability of the Loan Documents to which each Guarantor is a party; provided that approval by the FERC may be required for the transfer of direct or indirect ownership or control of FERC Contract Collateral; provided, further, that no approval of the FERC is required for the granting of the security

interest in the FERC Contract Collateral to the Administrative Agent pursuant to the Security Documents. As of the Restatement Effective Date, the only contracts comprising FERC Contract Collateral of the Guarantors and their Subsidiaries as to which further consent of the FERC may be required in connection with the exercise of remedies by the Administrative Agent under the Loan Documents are contracts for the transportation and storage of certain Eligible Commodities;

(c) this Guarantee (i) has been, and each other Loan Document to which such Guarantor is a party will be, duly executed and delivered on behalf of the Guarantors and (ii) constitutes, and each other Loan Document to which it is a party when executed and delivered will constitute, a legal, valid and binding obligation of such Guarantor enforceable against such Guarantor in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing;

(d) the execution, delivery and performance of this Guarantee and the other Loan Documents to which such Guarantor is a party (i) will not violate any Requirement of Law, including any rules or regulations promulgated by the FERC, in any material respect or where a waiver has not been obtained, in each case to the extent applicable to or binding upon such Guarantor or its Properties, (ii) will not violate a material Contractual Obligation (including, for the avoidance of doubt, Governing Documents) of any Guarantor, except where such violation could not reasonably be expected to have a Material Adverse Effect and (iii) will not result in, or require, the creation or imposition of any Lien on any of such Guarantor's properties or revenues pursuant to any such Requirement of Law or Contractual Obligation (other than Liens created by the Security Documents in favor of the Administrative Agent and Liens permitted by Section 8.3 of the Credit Agreement);

(e) no litigation or proceeding to which such Guarantor is party before any arbitrator or Governmental Authority is pending or, to the knowledge of such Guarantor, threatened by or against any Guarantor or against any of their respective properties or revenues (i) with respect to any of the Loan Documents, (ii) with respect to any of the transactions contemplated by or occurring simultaneously with the entering into of any of the Loan Documents in which such litigation or proceeding is material and has a reasonable basis in fact, or (iii) which could, after giving effect to any insurance, bond or reserve, reasonably be expected to have a Material Adverse Effect;

(f) except for matters disclosed on the title reports and surveys, including without limitation, minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties and assets for their intended purposes, except where the failure to have such title could not reasonably be expected to have a Material Adverse Effect, it has defensible title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its tangible personal property, and none of such property is subject to any Lien except as permitted by Section 8.3 of the Credit Agreement; and

(g) it and each of its Subsidiaries has timely filed or caused to be filed all material Tax returns required to be filed by it and has timely paid all material Taxes due and payable by it or imposed with respect to any of its property and all other material fees or other charges imposed on it or any of its property by any Governmental Authority (other than any Taxes the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on its books). There are no Liens for Taxes and no claim is being asserted with respect to Taxes, except for statutory liens for Taxes not yet due and payable or for Taxes the amount or validity of which are currently being contested in good faith by appropriate proceedings and, in each case, with respect to which reserves in conformity with GAAP have been provided on the books of such Guarantor.

The MLP hereby makes the representations and warranties set forth in Section 5 of the Credit Agreement as if fully set forth herein.

Each Guarantor agrees that the foregoing representations and warranties shall be deemed to have been made by each Guarantor on the date of each borrowing by any Borrower and the date of each issuance of a Letter of Credit under the Credit Agreement on and as of such date of borrowing or issuance, as the case may be, as though made hereunder on and as of such date.

13. Covenants. Each Guarantor hereby covenants and agrees with the Administrative Agent and each Secured Party that, from and after the date of this Guarantee until the Obligations are paid in full, no Letters of Credit remain outstanding (except for Letters of Credit which have been fully Cash Collateralized) and the Commitments are terminated:

(a) if any Guarantor shall at any time acquire any shares of Capital Stock of any direct or indirect Subsidiary (other than an Exempt CFC or any Subsidiary thereof) which is not a Guarantor hereunder, such Guarantor and such Subsidiary shall promptly deliver to the Administrative Agent an addendum to this Guarantee, substantially in the form of Exhibit A to this Guarantee, duly completed; and

(b) each Guarantor shall comply with each of the covenants and other obligations set forth in the Credit Agreement (including Sections 7 and 8 thereof) to the extent such covenants and obligations relate to such Guarantor.

14. Authority of Administrative Agent. Each Guarantor acknowledges that the rights and responsibilities of the Administrative Agent under this Guarantee with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this guarantee shall, as between the Administrative Agent and the Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and each Guarantor, the Administrative Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Guarantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

15. Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made (a) in the case of delivery by overnight mail or delivery by hand, when received, (b) in the case of delivery by mail, three (3) Business Days after being deposited in the mails, postage prepaid, or (c) in the case of delivery by facsimile transmission, when sent and receipt has been electronically confirmed, addressed as follows:

(a) if to the Administrative Agent or any Secured Party, at its address or transmission number for notices provided in Section 11.2 of the Credit Agreement; and

(b) if to any Guarantor, to its care of the U.S. Borrower at the address or transmission number for notices provided in Section 11.2 of the Credit Agreement.

The Administrative Agent, each Secured Party and any Guarantor may change its address and transmission numbers for notices by notice in the manner provided in Section 11.2 of the Credit Agreement.

16. Severability. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

17. Integration. This Guarantee represents the agreement of each Guarantor with respect to the subject matter hereof and there are no promises or representations relative to the subject matter hereof not reflected herein.

18. Amendments in Writing; No Waiver; Cumulative Remedies.

(a) Neither this Guarantee nor any terms hereof may be amended, supplemented or modified except in accordance with the provisions of Section 11.1 of the Credit Agreement.

(b) No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any other Secured Party, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

19. Judgment Currency.

(a) The Guarantors' obligations hereunder and under the other Loan Documents to make payments in United States Dollars or Canadian Dollars, as applicable, shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than United States Dollars or Canadian Dollars, as applicable, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agent or the respective Lender or Issuing Lender of the full amount of United States Dollars or Canadian Dollars, as applicable, expressed to be payable to the Administrative Agent or the Canadian Agent or such Lender or Issuing Lender under this Guarantee or the other Loan Documents. If, for the purposes of obtaining or enforcing judgment against any Guarantor in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than United States Dollars or Canadian Dollars, as applicable, (such other currency being hereinafter referred to as the "Judgment Currency") an amount due in United States Dollars or Canadian Dollars, as applicable, the conversion shall be made at the Dollar Equivalent or Canadian Dollar Equivalent, as applicable, determined as of the Business Day immediately preceding the day on which the judgment is given (such Business Day being hereinafter referred to as the "Judgment Currency Conversion Date").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, the Guarantors shall pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of

exchange prevailing on the date of payment, will produce the amount of United States Dollars or Canadian Dollars, as applicable, which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date.

(c) For purposes of determining the Dollar Equivalent or Canadian Dollar Equivalent, as applicable, or any other rate of exchange for this Section 19, such amounts shall include any premium and costs payable in connection with the purchase of United States Dollars or Canadian Dollars, as applicable.

20. Section Headings. The section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

21. Successors and Assigns. This Guarantee shall be binding upon and inure to the benefit of the Guarantors, the Administrative Agent and the other Secured Parties and their respective successors and assigns, except that no Guarantor may assign or transfer any of its rights or obligations under this Guarantee without the prior written consent of the Administrative Agent and the requisite Lenders pursuant to the Credit Agreement (and any purported such assignment or transfer by a Guarantor without such consent of the Administrative Agent and such requisite Lenders shall be null and void).

22. GOVERNING LAW. THIS GUARANTEE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

23. Submission To Jurisdiction; Waivers. Each Guarantor hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Guarantee and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Guarantor at its address set forth under its signature below or at such other address of which the Administrative Agent shall have been notified pursuant hereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

24. Acknowledgments. Each Guarantor hereby acknowledges that:

- (a) it has been advised by counsel in the negotiation, execution and delivery of this Guarantee and the other Loan Documents to which it is a party;
- (b) neither the Administrative Agent nor any Secured Party has any fiduciary relationship with or duty to any Guarantor arising out of or in connection with this Guarantee or any of the other Loan Documents to which it is a party, and the relationship between the Loan Parties, on one hand, and the Administrative Agent and the Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and
- (c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among any of the Loan Parties and the Secured Parties.

25. WAIVER OF JURY TRIAL. EACH GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS GUARANTEE OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

26. Counterparts. This Guarantee may be executed by one or more of the parties to this Guarantee on any number of separate counterparts (including by facsimile transmission or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Guarantee by facsimile transmission or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Guarantee signed by all the parties shall be lodged with the U.S. Borrower and the Administrative Agent.

27. Language. The parties hereto confirm that it is their wish that this Guarantee, as well as any other documents relating to this Guarantee, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. *Les signataires confirment leur volonté que la présente convention, de même que tous les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rédigés en anglais seulement.*

28. Parallel Debt.

(i) Each Dutch Loan Party hereby irrevocably and unconditionally undertakes to pay to the Administrative Agent an amount equal to the aggregate amount due by such Dutch Loan Party in respect of the Corresponding Obligations as they may exist from time to time. The payment undertaking of each of the Dutch Loan Parties under this Section 28 (Parallel Debt) is to be referred to as its "Parallel Debt".

(ii) The Parallel Debt of each of the Dutch Loan Parties will be payable in the currency or currencies of its Corresponding Obligations and will become due and payable as and when and to the extent one or more of its Corresponding Obligations become due and payable. An Event of

Default in respect of the Corresponding Obligations shall constitute a default (*verzuim*) within the meaning of Section 3:248 of the Dutch Civil Code with respect to the Parallel Debts without any notice being required.

(iii) Each of the parties to this Agreement hereby acknowledges that:

8. each Parallel Debt constitutes an undertaking, obligation and liability to the Administrative Agent which is separate and independent from, and without prejudice to, the Corresponding Obligations of the relevant Dutch Loan Party; and

9. each Parallel Debt represents the Administrative Agent's own separate and independent claim to receive payment of the Parallel Debt from the relevant Dutch Loan Party,

it being understood, in each case, that pursuant to this Section 28(c), the amount which may become payable by each of the Dutch Loan Parties as its Parallel Debt shall never exceed the total of the amounts which are payable under or in connection with its Corresponding Obligations.

(iv) The Administrative Agent hereby confirms and accepts that to the extent the Administrative Agent irrevocably receives any amount in payment of a Parallel Debt, the Administrative Agent shall distribute that amount among the Administrative Agent and the Lenders that are creditors of the relevant Corresponding Obligations in accordance with the Agreement. The Administrative Agent and each Lender hereby agrees and confirms that upon irrevocable receipt by the Administrative Agent of any amount in payment of a Parallel Debt (a "Received Amount"), the Corresponding Obligations of the relevant Dutch Loan Party toward the Administrative Agent and the Lenders shall be reduced, if necessary pro rata in respect of the Administrative Agent and each Lender individually, by amounts totaling an amount (a "Deductible Amount") equal to the Received Amount in the manner as if the Deductible Amount were received by the Administrative Agent and the Lenders as a payment of the Corresponding Obligations owed by the relevant Dutch Loan Party on the date of receipt by the Administrative Agent of the Received Amount.

(v) For the purpose of this Section 28, the Administrative Agent acts in its own name and on behalf of itself and not as agent, representative or trustee of any other Lender.

29. Kildair Subsidiaries. Notwithstanding anything to the contrary contained in this Guarantee, neither Wintergreen Transport Corporation ULC nor Transit P.M. ULC shall have any obligations under this Guarantee with respect to the Obligations or the Guaranteed Obligations (including under Sections 2, 3 or 11 of this Guarantee) prior to the Kildair Subsidiary Election.

30. Amendment and Restatement. This Guarantee amends and restates the Guarantee (as defined under the Existing Credit Agreement).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

SPRAGUE OPERATING RESOURCES LLC, as a Guarantor

By: _____
Name:
Title:

SPRAGUE RESOURCES ULC, as a Guarantor

By: _____
Name:
Title:

KILDAIR SERVICE LTD., as a Guarantor

By: _____
Name:
Title:

SPRAGUE RESOURCES LP, as a Guarantor

By: _____
Name:
Title:

SPRAGUE ENERGY SOLUTIONS INC., as a Guarantor

By: _____
Name:
Title:

Signature Page to Guarantee

SPRAGUE TERMINAL SERVICES LLC, as a Guarantor

By: _____
Name:
Title:

SPRAGUE RESOURCES FINANCE CORP, as a Guarantor

By: _____
Name:
Title:

SPRAGUE RESOURCES COÖPERATIEF U.A., as a Guarantor

By: _____
Name:
Title:

SPRAGUE CO-OP MEMBER LLC, as a Guarantor

By: _____
Name:
Title:

SPRAGUE CONNECTICUT PROPERTIES LLC, as a
Guarantor

By: _____
Name:
Title:

Signature Page to Guarantee

WINTERGREEN TRANSPORT CORPORATION ULC, as a
Guarantor

By: _____
Name:
Title:

TRANSIT P.M. ULC, as a Guarantor

By: _____
Name:
Title:

Signature Page to Guarantee

EXHIBIT A
To Guarantee

ADDENDUM TO GUARANTEE

Each of the undersigned, _____, a _____ [corporation], (each, a "New Guarantor", together the "New Guarantors");

(i) agrees to all of the provisions of the Guarantee, dated as of December 9, 2014 (as amended, supplemented or otherwise modified prior to the date hereof, the "Guarantee"), made by signatories thereto as Guarantors (collectively, the "Guarantors"), in favor of JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the "Administrative Agent"), pursuant to the Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among SPRAGUE OPERATING RESOURCES LLC, as the U.S. Borrower, SPRAGUE RESOURCES ULC, KILDAIR SERVICE LTD., the several banks and other financial institutions or entities from time to time parties thereto, the Administrative Agent, and the other agents party thereto; and

(ii) effective on the date hereof becomes a party to the Guarantee, as a Guarantor, with the same effect as if each of the undersigned were an original signatory to the Guarantee (with the representations and warranties contained therein being deemed to be made by each New Guarantor on and as of the date hereof).

Terms defined in the Guarantee and the Credit Agreement shall have such defined meanings when used herein. This Addendum to Guarantee and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

By its acceptance hereof, each of the undersigned Guarantors hereby ratifies and confirms its obligations under the Guarantee, as supplemented hereby.

[NAME OF NEW GUARANTOR]

By: _____
Name:
Title:

Date:

ACCEPTED AND AGREED:

[_____]⁷

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: _____
Name:
Title:

⁷ To be signed by all Loan Parties.

FORM OF COMPLIANCE CERTIFICATE

, 201

This Compliance Certificate is delivered pursuant to Section 7.2(b) of the Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Sprague Operating Resources LLC, Kildair Service Ltd. and Sprague Resources ULC, as Borrowers, the Lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The undersigned, solely in his/her capacity as a Responsible Person of the U.S. Borrower and not in his/her individual capacity, hereby certifies to the Administrative Agent and the Lenders as follows:

1. I am a Responsible Person of the U.S. Borrower.

2. I have reviewed and am familiar with the contents of this Certificate.

3. I have reviewed the terms of the Credit Agreement and the Loan Documents and have made or caused to be made under my supervision, a review in reasonable detail of the transactions and conditions of each Loan Party during the accounting period covered by the financial statements attached hereto as Attachment 1 (the "Financial Statements"). Based on such review, I have no knowledge of the existence, as of the date of this Certificate, of any condition or event which constitutes a Default or Event of Default, in each case except as disclosed on Schedule 1 hereto.

4. The Loan Parties are in material compliance with the Risk Management Policy.

5. Attached hereto as Attachment 2 are the computations showing compliance with the financial covenants set forth in Section 8.1(a) [(b), (c) and (d)]⁸ and Section 8.7 of the Credit Agreement

6. The following information is true and correct in all material respects as of the date hereof.

{SIGNATURE PAGE FOLLOWS}

⁸ Include in Compliance Certificates delivered for a period that ends on a date which is also the end date of a fiscal quarter.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date set forth below.

Dated: _____, 201

SPRAGUE OPERATING RESOURCES LLC, as Borrower

By: _____

Name:

Title:

Attachment 1

Financial Statements

Attachment 2

Covenant Calculations

FORM OF INCREASE AND NEW LENDER AGREEMENT

This INCREASE AND NEW LENDER AGREEMENT, dated as of _____, 201 (this "Agreement"), prepared pursuant to Section 4.1(b) of the Amended and Restated Credit Agreement, dated as of December 9, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Sprague Operating Resources LLC (the "U.S. Borrower"), Kildair Service Ltd. and Sprague Resources ULC, as Borrowers, the Lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto.

RECITALS

WHEREAS, pursuant to Section 4.1 of the Credit Agreement, the undersigned Lenders party to the Credit Agreement (the "Increasing Lenders") have agreed to increase their [Dollar Working Capital Facility] [Multicurrency Working Capital Facility] [Acquisition Facility] Commitments as governed by the Credit Agreement on the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, pursuant to Section 4.1 of the Credit Agreement, the undersigned Persons not party to the Credit Agreement (the "New Lenders") have agreed to make [Dollar Working Capital Facility] [Multicurrency Working Capital Facility] [Acquisition Facility] Commitments under the Credit Agreement on the terms and subject to the conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the U.S. Borrower, the Administrative Agent, the Increasing Lenders and the New Lenders hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, terms defined in the Credit Agreement are used herein as therein defined.

2. Increase Agreement and New Lender Agreement.

(a) Each Increasing Lender party to this Agreement hereby agrees to increase its respective [Dollar Working Capital Facility] [Multicurrency Working Capital Facility] [Acquisition Facility] Commitment, in the amount set forth on Schedule 1.0, such increase to be effective as of _____, 201 (the "Increase Effective Date").

(b) Each New Lender party to this Agreement hereby agrees to make [Dollar Working Capital Facility] [Multicurrency Working Capital Facility] [Acquisition Facility] Loans to the Borrower and participate in [Dollar Working Capital Facility] [Multicurrency Working Capital Facility] [Acquisition Facility] Letters of Credit from time-to-time in an aggregate principal amount at any one time outstanding not to exceed its respective [Dollar Working Capital Facility] [Multicurrency Working Capital Facility] [Acquisition Facility] Commitment (as set forth on Schedule 1.0), such agreement to be effective as of the Increase Effective Date. From and after the Increase Effective Date, each New Lender shall be a party to the Credit Agreement and, to the extent provided in this Agreement, have the rights and obligations of a [Dollar Working Capital Facility] [Multicurrency Working Capital Facility] [Acquisition Facility] Lender under the Credit Agreement and under the other Loan Documents and shall be bound by the provisions thereof.

3. Maximum Credit Limit: Increasing Lenders: New Lenders. Effective upon the Increase Effective Date, the [Dollar Working Capital Facility] [Multicurrency Working Capital Facility] [Acquisition Facility] Commitment for each Increasing Lender and each New Lender shall be as set forth on Schedule 1.0¹.

4. Conditions Precedent. This Agreement shall become effective upon the satisfaction of the following conditions precedent:

(a) Increase Documents. The Administrative Agent shall have received (each of the following documents being referred to herein as an "Increase Document"):

(i) this Agreement, executed and delivered by a duly authorized officer of the U.S. Borrower, the Administrative Agent and each New Lender and Increasing Lender;

(ii) for the account of each such New Lender and Increasing Lender requesting the same, a Note of the Borrowers conforming to the requirements of the Credit Agreement, and reflecting the [Dollar Working Capital Facility] [Multicurrency Working Capital Facility] [Acquisition Facility] Commitment of such Lender after giving effect to this Agreement, executed by a duly authorized officer of each Borrower;

(iii) a reaffirmation of the Guarantee, executed and delivered by a duly authorized officer of each party thereto;

(iv) a reaffirmation of each Security Document, executed and delivered by a duly authorized officer of each party thereto; and

(v) the Administrative Agent shall have received in respect of each Mortgaged Property (A) such amendments to the Mortgage and Security Agreements as are in form and substance reasonably satisfactory to the Administrative Agent, in each case, executed and delivered by a duly authorized officer of the relevant Loan Party to the extent necessary to reflect the increase in the Dollar Working Capital Facility, Multicurrency Working Capital Facility or the Acquisition Facility, as applicable, (it being understood that, unless requested by the Administrative Agent, no amendment shall increase the amount secured thereby if the same will result in the payment of additional mortgage recording tax), (B) with respect to each such Mortgage and Security Agreement, a date-down endorsement to the title insurance policy covering such Mortgaged Property (or if a date-down is not available in a particular jurisdiction, a new title insurance policy in the same insured amount as originally issued or marked up unconditional title commitment, pro forma policy or binder for such insurance) in each case in form and substance not materially less favorable to the Administrative Agent or the Lenders as such title policies or marked up unconditional title commitments, pro forma policies or binders delivered on or prior to the Restatement Effective Date, (C) evidence satisfactory to it that all premiums in respect of the related date-down endorsement or title policy (or policies) have been paid, and (D) to the extent required by applicable Law a standard flood hazard determination for each Mortgaged Property located in the United States, and with respect to any Mortgaged Property located in the United States that is located in a special flood hazard area and in respect of Mortgaged Property located in Canada in a flood plain, evidence of flood insurance in form and substance reasonably satisfactory to the Administrative Agent.

¹ The Increase Amount shall be in a minimum amount of \$5,000,000. Such amount shall not cause the aggregate respective facility commitment to exceed (1) for the Dollar Working Capital Facility Commitment, \$1,200,000,000, (2) for the Multicurrency Working Capital Facility Commitment, \$320,000,000 or (3) for the Acquisition Facility Commitment, \$600,000,000, in each case in the aggregate during the Increase Period.

(b) Increasing Lenders; New Lenders. The Administrative Agent shall have received from each Increasing Lender and each New Lender the amounts required to be paid by such Increasing Lenders and New Lenders pursuant to Section 4.1 of the Credit Agreement.

(c) Secretary's Certificates. The Administrative Agent shall have received a certificate of each Loan Party, dated as of the Increase Effective Date, substantially in the form of Exhibit E to the Credit Agreement, with appropriate insertions and attachments (provided that, any such Person may certify on such certificate that its Governing Documents have not changed since the Restatement Effective Date in lieu of attaching such Governing Documents to such certificate), reasonably satisfactory in form and substance to the Administrative Agent, executed by the President or any Vice President and the Secretary or any Assistant Secretary of such Person, or, if applicable, of the general partner or managing member or members of such Person, on behalf of such Person.

(d) Proceedings of the Loan Parties. The Administrative Agent shall have received a copy of the resolutions, in form and substance reasonably satisfactory to the Administrative Agent, of the Board of Directors (or analogous body) of each Loan Party authorizing as applicable to such Person (i) the execution, delivery and performance of this Agreement and the Notes delivered on the Increase Effective Date and the other Increase Documents, and the reaffirmations of the applicable Loan Documents to which it is a party, and (ii) the reaffirmation by it of the Liens created pursuant to the Security Documents, certified by the Secretary or an Assistant Secretary of such Person, or, if applicable, of the general partner or managing member or members of such Person as of the Increase Effective Date, which certification shall be included in the certificate delivered in respect of such Person pursuant to Section 4(c), shall be in form and substance reasonably satisfactory to the Administrative Agent and shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded.

(e) Incumbency Certificates. To the extent the following have been amended, supplemented or otherwise modified since the Restatement Effective Date, the Administrative Agent shall have received a certificate of each Loan Party, dated the Increase Effective Date, as to the incumbency and signature of the officers of such Person or, if applicable, of the general partner or managing member or members of such Person, executing any Increase Document, or having authorization to execute any certificate, notice or other submission required to be delivered to the Administrative Agent or a Lender pursuant to this Agreement, which certificate shall be included in the certificate delivered in respect of such Person pursuant to Section 4(c) and shall be reasonably satisfactory in form and substance to the Administrative Agent.

(f) Organizational Documents. To the extent the following have been amended, supplemented or otherwise modified since the Restatement Effective Date, the Administrative Agent shall have received true and complete copies of the Governing Documents of each Loan Party, certified as of the date hereof as complete and correct copies thereof by the Secretary or an Assistant Secretary of such Person, or, if applicable, of the general partner or managing member or members of such Person, on behalf of such Person, which certification shall be included in the certificate delivered in respect of such Person pursuant to Section 4(c) and shall be in form and substance reasonably satisfactory to the Administrative Agent.

(g) Good Standing Certificates. The Administrative Agent shall have received certificates (long form, if available) dated as of a recent date from the Secretary of State or other appropriate authority, evidencing the good standing of each Loan Party (i) in the jurisdiction of its organization and (ii) in each other jurisdiction where its ownership, lease or operation of property or the conduct of its business requires it to qualify as a foreign Person except, as to this subclause (ii), where the failure to so qualify could not reasonably be expected to have a Material Adverse Effect.