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PROPANE SUPPLY AGREEMENT AND EQUIPMENT LEASE

PLEASE CHECK ALL THAT APPLY FOR YOUR NEEDS:

RESIDENTIAL

COMMERCIAL

This Propane Supply Agreement and Equipment Lease ("**Agreement**") is between InterState Propane ("**Company**"), Address: 8221 Alpine Avenue, Sacramento, CA 95826, and the Customer identified below ("**Customer**").

| | | | | |
|--------------------|-------------------------------|---------------|---------------|-----|
| INFORMATION | Customer Name | Telephone No. | Fax No. | |
| | Billing Address | City | State | Zip |
| | Installation/Delivery Address | City | State | Zip |
| | Primary Contact | Cell Phone | Email Address | |

TERMS & CONDITIONS

EQUIPMENT. The Company agrees to install and lease to Customer, at Customer's delivery address listed above, the propane storage tank or cylinders and related equipment listed in Attachment A below ("**Equipment**"). Customer agrees to pay the Equipment Rental Fee set forth in Attachment A. Customer shall be liable for all loss of, and damage to, the Equipment while in Customer's possession, normal wear and tear excepted. Customer will promptly surrender to the Company all of the Equipment when this Agreement is terminated for any reason. The number of cylinders and tanks may be changed from time to time based on Customer's needs and usage and Attachment A and this Agreement may be amended through the use of one or more Service/Work Orders which shall become part of the Agreement. Any Equipment that is lost or damaged during the term or is not returned at the end of this Agreement will be billed to Customer at its replacement cost. Customer authorized the Company to replace the Equipment at any time with no changes in the obligations of this Agreement. If the Company replaces the Equipment with equipment of different capacity, the Equipment Rental Fee shall be adjusted to those that are currently being charged for the Equipment which is substituted. Upon the Company's request, Customer agrees to execute such instruments, as requested by the Company, which evidence the Company's ownership of the Equipment and authorizes Company to file or record such instruments (including a Financing Statement (Form UCC-1) in the appropriate public records.

PROPANE SUPPLY. Customer will purchase from the Company all of the propane Customer requires for use at Customer's delivery address listed above, during the term of this Agreement. FOR SAFETY AND OTHER REASONS, CUSTOMER AGREES THAT ONLY PROPANE SOLD BY THE COMPANY SHALL BE USED WITH THE EQUIPMENT. Title to the propane shall pass to the Customer at the time the propane is delivered.

EQUIPMENT INSTALLATION. When installing the Equipment, the Company will perform a leak check of the Customer's propane system. The Company will not place the Equipment in service until it is satisfied that the leak check has been successfully completed. The Company will not be liable for the damages that cannot be ascertained by conducting a leak check, or which arise as a result of conditions that may develop/exist after the leak check has been conducted. Customer will use only tanks, regulators, fittings, meters and other related equipment that are furnished by the Company in connection with the use of the propane sold, and Equipment leased, to it by the Company.

INDEMNIFICATION. Both the Company and Customer agree to indemnify, defend and hold the other harmless from and against any and all claims, liens, demands, suits, damages, expenses (including attorneys' fees) and liabilities for personal injuries and/or property damage, arising out of or caused by any negligent act or omission on the part of that party, its agents or employees.

RESTORATION OF PROPERTY. Customer acknowledges that installing, servicing or removing propane service may result in disruption to Customer's property and grounds; therefore, Customer agrees to be responsible for all the costs associated with the excavation and removal of the Equipment. Notwithstanding the indemnification obligations provided above, Customer also releases the Company from furnishing fill, resurfacing or restoring Customer's premises to its previous condition except for the gross negligence or intentional acts of the Company.

ASSIGNABILITY. Customer may not assign this Agreement without the prior written consent of the Company. The Company may assign or pledge this Agreement as collateral without notice to or consent of Customer.

TRAINING. Customer will properly train each of its employees, and any individual who handles propane or uses the Equipment as to how to safely fill containers and to use propane or propane equipment. Customer will not allow anyone to handle or use the Equipment unless and until that individual has been properly trained to do so. If Customer fails to comply with any portion of this provision, then Customer agrees it shall be solely responsible for any and all injuries or damages that result, and Customer will indemnify, defend and hold Company harmless from all claims, liens, demands, suits, damages, expenses (including attorneys' fees) and liabilities, including those claims brought by Customer's employees or agents.

MODIFYING THE AGREEMENT. This document constitutes the entire agreement between the parties with respect to the matters set forth herein, all oral agreements being merged herein, and supersedes all prior representations. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties relating to the subject matter of this Agreement that are not fully expressed herein. The Company reserves the right to change the applicable terms and conditions (other than fees, rate and charges which may be changed without prior notice) at any time by giving Customer thirty (30) days prior written notice of the change. The notice of change may be in the form of a bill insert, email or other written notification. By accepting delivery of propane or by paying any fees, rates, surcharges or other charges after Customer has been given notice of changes, Customer will be deemed to have agreed to the changes.

ENFORCEABILITY. If any part of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement will continue to be valid and enforceable.

NOTICE. Any notice by Customer under this Agreement shall be sent by U.S. certified mail, return receipt requested, postage prepaid, to the Company at the address of the Company shown above. Notice to Customer may be in the form of a bill insert, stand-alone mailing, email or other written notification.

WAIVER. Any of the terms or conditions of this Agreement may be waived at any time, in writing, by the party entitled to the benefit thereof, but no such waiver shall affect or impair the right of the waiving party to require observance, performance, or satisfaction either of that term or condition as it applies on a subsequent occasion or of any other term or condition hereof.

AUTHORITY TO SIGN. The undersigned individuals warrant that each is a representative of his or her respective party and has been duly authorized and empowered to execute this Agreement on behalf of the party they represent.

SURVIVAL. All covenants, conditions and indemnification contained in this Agreement which may involve performance subsequent to any termination of this Agreement, or which cannot be ascertained or fully performed until after such termination, shall survive the termination of this Agreement.

WARNINGS. Customer hereby acknowledges that Customer has read and understands the safety warnings it has received from the Company. Customer shall distribute a copy of the safety warnings to anyone who will be handling or using propane or the Equipment.

TERM. The term of this Agreement will commence on the date signed by Customer and shall continue in effect for one (1) year. Thereafter, this Agreement shall renew for successive periods of one (1) year each. Either party may terminate this Agreement at the end of the then current one-year term by providing the other party with at least thirty (30) days advance written notice.

FEES, RATES, AND CHARGES:

General Provisions. Customer agrees to pay Company's fees, rates, and charges in effect on the date that propane is delivered or services are rendered. COMPANY RESERVES THE RIGHT TO CHANGE ITS FEES, RATES, AND CHARGES FROM TIME TO TIME WITHOUT PRIOR NOTICE. Customer acknowledges that Company's fees, rates, and charges include its procurement costs and may vary depending upon, among other things, the volume of propane purchased, customer classification, derivative activity to reduce price volatility, ownership of equipment and competitive conditions. For Customers who are billed based on the usage amount shown on a meter attached to the Customers' propane system, the Company reserves the right to bill the Customer based on an estimated usage amount, which will later be followed-up by an actual reading with the Customer to be: (i) credited to the extent that the estimated amount exceeds the actual propane usage amount or (ii) charged an additional amount to the extent that the actual amount of propane used exceeds the estimated amount. Company's fees, rates, and charges, if any, are not refundable except to the extent that a refund may be required by law. Customer may obtain the Company's current fees, rates, and charges by contacting the local Company office servicing Customer's account.

Pump-Out/Restocking Charge. This charge defrays the cost associated with pumping out a tank that contains in excess of five percent, and returning the tank to the Company's inventory. Customers can avoid this charge by continuing service with the Company until the supply of propane in the tank is less than five percent.

Special Trip Charge. This charge is incurred by Customers who request immediate deliveries or non-emergency service after business hours or on weekends. This charge can vary greatly due to the distance involved and/or the time required to service the request.

Meter Service Fee. This fee is incurred by Customers who are charged for their propane based on an amount of usage as measured by the Company's meter. This fee defrays the cost of meter reading, meter maintenance and related administrative costs.

Service Dispatch Charge. This charge is to cover the costs associated with dispatching a service technician to a Customer's residence or other location to perform service work on customer-owned equipment and appliances or to pick-up a Company-owned tank or cylinder. Customers should note that upon arrival at Customer's location, additional charges may be assessed depending upon the nature of the problem. The Service Dispatch Charge is collected at the time the service or tank/cylinder pick-up is scheduled. This charge will not be credited toward service work performed.

LICENSES, PERMITS AND TAXES. Customer agrees to pay for all licenses, permits, and taxes associated with the sales or use of propane and the Equipment or service covered by this Agreement.

PROPANE SYSTEM MAINTENANCE & REPAIR. Except for the Equipment, Customer is responsible for the maintenance and repair of Customer's entire propane system.

TITLE TO EQUIPMENT. The Equipment will at all times remain the property of the Company and will not become a fixture or a part of Customer's real property. IN THE INTEREST OF SAFETY, CUSTOMER WILL NOT ALLOW ANYONE TO MAKE ANY ADJUSTMENTS, CONNECTIONS OR DISCONNECTIONS TO THE LEASED EQUIPMENT OR REMOVE OR PUMP OUT THE TANK WITHOUT THE PRIOR WRITTEN PERMISSION OF THE COMPANY. CUSTOMER WILL NOTIFY THE COMPANY IMMEDIATELY IF THE EQUIPMENT IS DAMAGED OR MALFUNCTIONS OR IF CUSTOMER EXPERIENCES ANY PROBLEMS WITH THE EQUIPMENT.

ACCESS TO EQUIPMENT. The Company will have an irrevocable license to enter Customer's Premises without prior notice to deliver propane, to install, maintain, inspect, service or remove the Equipment, and to perform any other services that it deems necessary under this Agreement. Customer agrees to provide the Company with safe, free and unimpeded access to the Equipment, including, but not limited to, access free of ice, snow, water, mud and other hazards, as well as to provide a driveway that is sufficiently sturdy to withstand the weight of a filled propane truck. Customer will make or otherwise identify the location of septic systems, leach pits, underground ponds and similar underground features as necessary to install the Equipment, perform services and make deliveries. Customer agrees that the Company has no obligation to contact Customer to request access to the Equipment. The Company may suspend service until Customer has provided access as required by this Agreement. Customer agrees to promptly surrender to the Company the Equipment upon the termination of this Agreement.

LIMITATION OF LIABILITY. UNDER NO CIRCUMSTANCES WILL THE COMPANY BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGE TO CUSTOMER'S PLUMBING (AND WATER DAMAGE FROM FROZEN PIPES), SEPTIC SYSTEM, DRIVE WAY AND/OR LANDSCAPING.

DISCLAIMER OF WARRANTIES. THE COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO ANY PROPANE, TANK CYLINDER, AND/OR RELATED EQUIPMENT OR SERVICE SUPPLIED OR PERFORMED UNDER THIS AGREEMENT OR ANY PRIOR AGREEMENT OR UNDERSTANDING, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SOME STATES (CT, KS, ME, MS, NH, WA, AND WV) DO NOT ALLOW THIS DISCLAIMER OF IMPLIED WARRANTIES, SO THE ABOVE DISCLAIMER SHALL NOT APPLY TO CUSTOMERS IN THOSE STATES.

TERMINATION. The Company may terminate this Agreement at any time without prior notice if Customer fails to satisfy any of the terms and conditions of this Agreement or if the Company determines, in its sole discretion, the existence of a condition that poses a health or safety threat.

EXCUSED PERFORMANCE. The Company will not be responsible for any delay or damages caused by events or circumstances beyond its reasonable control, including without limitation, acts of God, fire, storms, floods, labor disputes, wars, hostilities, terrorism, compliance with laws or regulations, the Company's inability to obtain propane or equipment from its customary suppliers, terminal, refinery or pipeline disruptions, allocation programs, lack of or inadequate transportation facilities, or terrorism. Under any of these or similar circumstances, the Company may allocate propane and equipment among its Customers in any manner that the Company, in its sole judgment, deems reasonable.

CHANGES TO THE AGREEMENT. The Company reserves the right to change the terms and conditions of this Agreement at any time by giving Customer thirty (30) days prior written notice of the change(s); provided however, that prior written notice shall not be required for changes to fees, rates, and charges). The notice of change may be in the form of bill insert, email attachment or other written notification. By accepting delivery of propane or by paying any fees, rates, or charge after Customer has been given notice of the change(s).

CUSTOMERS WITH RESIDENCES THAT ARE NOT OCCUPIED YEAR-ROUND. If you are enrolled in the Company's automatic delivery program, you can expect the Company to make scheduled periodic deliveries to your vacation/seasonal residence based upon a number of factors, including temperature conditions and the number and types of gas-fueled appliances; use of your vacation/seasonal residence more the normal or any other change or development which may cause your residence to be use more propane gas than normal. Please understand that we cannot accept responsibility for any damage caused by your failure to notify our office of any changes in your vacation/seasonal residence or its use which increases your propane gas consumption; and the Company disclaims any and all liability for losses or damages that occur as a result of your failure to provide adequate advance notice of need for a delivery in order to avoid an out of gas situation.

ATTORNEYS' FEES. If the services of an attorney are required by any party to secure the performance hereof or otherwise upon the breach or default of another party, or if any judicial remedy or arbitration is necessary to enforce or interpret any provision of this Agreement or the rights and duties of any person in relation thereto, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and other expenses (including expert witness fees), in addition to any other relief to which such prevailing party may be entitled.

Governing Law; Forum for Litigation. This Agreement shall be governed by and construed in accordance with the laws of the State of California as applied to agreements among California residents which are entered into and performed entirely within California. The parties hereby consent, freely and voluntarily, to the personal jurisdiction of any state or federal court within the County of Sacramento, California.

ATTACHMENT A

EQUIPMENT RENTAL FEE

Rental Fee Amount: _____ Month Due: _____ Annual

DESCRIPTION OF EQUIPMENT

| | |
|----------------------|----------------------|
| Tank/Cylinder: _____ | Serial Number: _____ |
| Tank/Cylinder: _____ | Serial Number: _____ |
| Regulator: _____ | Other: _____ |
| Regulator: _____ | Other: _____ |
| Hog Tail: _____ | Other: _____ |
| Hog Tail: _____ | Other: _____ |

CUSTOMER

Signature

Print Name

Date

INTERSTATE PROPANE

Signature

Title

Date