

MASTER AGREEMENT FOR PROPANE SALES AND EQUIPMENT RENTAL



 **Ferrellgas**

PLEASE READ THIS MASTER AGREEMENT FOR PROPANE SALES AND EQUIPMENT RENTAL (this "Agreement") CAREFULLY. The terms and conditions of this Master Agreement will be accepted by you when one of the following occurs: (1) you request or accept delivery of propane, service or equipment from us; (2) you pay for delivery of propane, service or equipment from us; or (3) you permit Propane or equipment obtained from us to remain on your property for more than thirty (30) days after your receipt of this Agreement. If you do not wish to be bound by this Agreement, please contact Ferrellgas within thirty (30) days after your receipt of this Agreement and terminate service. The terms of this Agreement also will apply to sales of refined fuel products.

INTRODUCTION

For purposes of this Agreement, Ferrellgas, L.P. will be "we" or "us." "You" will be any person or entity who (a) requests delivery of Propane or equipment from us, (b) permits Propane or equipment to be delivered by us, or (c) permits Propane or equipment obtained from us to be retained on property which the person or entity owns, rents or has a right to use (the "Property"). If you have, in the name of more than one person, requested delivery of Propane or equipment from us or applied for a product or service that requires credit approval, you will be jointly and severally responsible for complying with this Agreement. You have received from us a letter enclosing this Agreement and describing the services you have requested or are receiving from us (the "Service Letter"), and certain other information. You should review the Service Letter carefully and notify us immediately at the telephone number printed at the bottom of the Service Letter (the "Customer Service Number") if any information contained on it is incorrect. All information contained on the Service Letter will be considered accurate and applicable to this Agreement until you notify us otherwise or we send you a new Service Letter. The current list of fees and charges (the "Current Charges List") as specified at the end of this Agreement and your tank rent are subject to change upon thirty (30) days' prior notice to you.

THE FERRELLGAS PROPANE SAFETY PLAN (THE "SAFETY PLAN") IS INCLUDED WITH THIS AGREEMENT AND IS A PART OF THIS AGREEMENT. YOU AGREE THAT YOU MUST FOLLOW ALL OF THE INSTRUCTIONS IN THE SAFETY PLAN. THE SERVICE LETTER AND THE SAFETY PLAN ARE PART OF THESE TERMS AND CONDITIONS. IF YOU DO NOT HAVE THE SERVICE LETTER OR THE SAFETY PLAN, YOU SHOULD CALL THE CUSTOMER SERVICE NUMBER AND REQUEST ANOTHER COPY.

Section I is applicable to all purchases of Propane from us. Section II is applicable to rental of equipment from us. Section III describes your payment obligations to us. Section IV applies to equipment purchase, service and repair. Section V is applicable to all types of transactions with us.

I. TERMS APPLICABLE TO PROPANE PURCHASES

You obtain Propane delivery from us through one of the services described below ("Service"), which will be specified on the Service Letter. Terms of each Service are described in more detail in this Section I. For additional questions or information, you may contact us at the Customer Service Number.

1. Bulk Service.

a. General. If the Service Letter does not specify otherwise, you are obtaining bulk delivery of Propane ("Bulk Service"), and we will deliver Propane into the bulk tank or the cylinder(s) you lease from us or own (in either case, the "Tank"). If you lease your Tank from us, you agree to purchase from us a volume of Propane at least equal to two times the water capacity of your Tank each 12-month period following your first delivery of Propane (the "Minimum Volume Requirement"), unless you have reached a different arrangement with us. If you fail to purchase your Minimum Volume Requirement, we may, at our option, either terminate this Agreement and cease delivery of Propane to you, adjust the price of the Propane we deliver to you to include a surcharge for low volume, charge you a low usage fee, and/or increase your tank rent to reflect your low usage. If you have Bulk Service, you will own all Propane delivered by us to your Tank from the time the Propane is delivered and paid for in full.

b. Customer-Owned Tanks. If you own the Tank where you have requested us to deliver Propane, we reserve the right (but have no obligation) to inspect your external system for delivery of Propane, including external components such as your Tank regulators and vents (excluding exhaust vents for products of combustion) (the "System"). The purpose of any such inspection is to determine whether we believe your System is safe and adequate for the storage of Propane. If we choose to deliver Propane to you,

we may require you to upgrade your System to meet our safety standards. By inspecting your System, we make no representation or warranty to you concerning the safety or adequacy of your System. You are responsible for any loss or damage caused by your System. You are required to maintain and pay all expenses for maintaining your System and all hoses, meters or other equipment which are part of your System. If we determine that your System is no longer adequate for delivery of Propane, we will terminate Service. If inspections, testing or repairs are required by applicable federal, state or local laws, regulations or ordinances ("Applicable Laws"), you will be responsible for the cost and completion of all such work and for property repair, including landscaping costs, if any, related to such work.

2. Meter Service. If the Service Letter indicates that you are receiving Propane at your Property through meter service ("Meter Service"), you will purchase from us the volume of Propane that flows through the meter. We will require you to pay a deposit to us in an amount we determine from time to time. A monthly minimum charge for Meter Service is set forth on the Current Charges List at the end of this Agreement, and is called the "Meter Gas Minimum Fee." You will be charged the Meter Gas Minimum Fee even if your meter reflects Propane flow that would result in a charge that is less than the Meter Gas Minimum Fee. We reserve the right to change your Meter Gas Minimum Fee upon thirty (30) days' prior written notice to you. In order to determine the amount of Propane flowing through your meter, we will, at our option, either read the meter on a periodic basis, or send to you a card on which to record the reading on the meter. If you fill out the card incorrectly or fail to return the card within five (5) business days, we will estimate the amount of Propane used. If you have Meter Service, we will deliver Propane to a Tank and will remain the owner of all Propane that we deliver until it flows through your meter.

3. Cylinder Exchange Service. If the Service Letter indicates that you are obtaining cylinder exchange service ("Cylinder Exchange Service") from us, we will supply you with cylinders and related equipment for a minimum of one year from the date of first delivery. When we deliver Propane to you, we will exchange the cylinder(s) previously delivered to you for full cylinders. We reserve the right at any time to increase or decrease the number of cylinders used for your Cylinder Exchange Service, at our sole election. You will own the Propane from the time that it is delivered to you and paid

for in full. You must return all cylinders to us. If any cylinder is lost, stolen, destroyed or damaged for any reason while in your possession, you must pay us the replacement cost of the cylinder.

4. Purchase Price. You will pay our current market price for Propane at the time the Propane is delivered to you if you have Bulk Service or Cylinder Exchange Service, or at the time the Propane flows through your meter if you have Meter Service. Payment terms are set forth in Section III.

5. Delivery of Propane. The Service Letter indicates whether you have chosen to have Propane delivered when you order it ("Will Call") or to have us schedule delivery when we estimate that Propane will be required ("Keep Full"). If your Property is not continuously occupied, but you have requested a Keep Full arrangement, we may require a modified Keep Full arrangement. The terms of Will Call and Keep Full are described below. We will deliver Propane according to a schedule that we establish. If you request us to deliver Propane to you at other times or on an emergency basis, we may, at our option, impose additional delivery charges (as set forth on the Current Charges List at the end of this Agreement). You authorize us to make delivery of Propane whether or not you are present. IF YOU RUN OUT OF PROPANE FOR ANY REASON, WE WILL NOT BE RESPONSIBLE FOR ANY CONSEQUENTIAL DAMAGES YOU MAY INCUR, INCLUDING WITHOUT LIMITATION, FROZEN PIPES OR DAMAGE TO BUILDINGS, POULTRY OR LIVESTOCK. All sales of Propane are final.

- a. Will Call.** If you have chosen Will Call, we will not deliver Propane until you call and request delivery. You should call not less than five (5) business days prior to the date you anticipate needing Propane. If you call with less than five (5) business days notice, we may not be able to meet your schedule. We may also impose additional delivery charges (as set forth on the Current Charges List at the end of this Agreement), and you may incur additional costs associated with retesting your System. We suggest that you call us when your Tank reaches thirty percent (30%) capacity.
- b. Keep Full.** If you have chosen Keep Full, we will deliver Propane to you from time to time on our schedule when we believe that delivery is appropriate. We will use reasonable commercial efforts to keep your Propane supply adequate, but make no representation that we will inspect your

Propane supply on a specific schedule. Weather conditions or a change in your circumstances can dramatically affect your Propane use. Accordingly, you must inspect the amount of Propane available from time to time, especially if you have had a period of unusually high usage. If you are a Keep Full customer, we will give you priority service if your supply is low or if you run out of Propane. We will not charge you an additional delivery charge under these circumstances. We have the right to determine when to fill your Tank. If you refuse to allow us to fill your Tank at any time we may, in our discretion, convert you to Will Call. If the Property where the Propane is delivered is not your primary residence or is occupied or used by you only part of the year, the standard Keep Full arrangement may not be available, in our discretion, and we may require a modified Keep Full arrangement. If so, you must notify us in advance of any significant increase or decrease in your Propane use from the prior month. If you fail to notify us in advance of a change in usage, and as a result you must order an additional delivery of Propane, we will impose an additional delivery charge (as set forth on the Current Charges List), and if we deem it appropriate, we may charge you for retesting the System.

6. Your Responsibility for Your Equipment. If you are renting equipment from us, you own and are solely responsible for the inspection and maintenance of all piping, equipment and/or appliances, which are downstream of any regulator that is owned or maintained by us for Bulk Service, or downstream of the meter for Meter Service. If you own the Tank, you are solely responsible for the inspection or maintenance of the System. Whether you rent or own your Tank, it is your duty to inform us about all work of any nature on any part of your System and/or other related appliances, including but not limited to repair, removal, installation, adjustment, modification, maintenance and/or service of any part of the System and/or related appliances. You understand and agree that we have no obligation to inspect or maintain any equipment that we have not committed in writing to inspect or maintain.

7. Your Safety Responsibilities. You have received the Safety Plan. You understand that the odor of ethyl mercaptan can fade in certain circumstances, as described in the Safety Plan. You must also read all safety warnings and operating instructions provided by us or anyone else in connection

with the use of Propane or provided with any equipment or appliances ("Instructions and Warnings"). If you do not understand the Safety Plan or the Instructions and Warnings, you should call us at the Customer Service Number. You agree to follow all instructions in the Safety Plan and the Instructions and Warnings. You must make all employees, tenants or other residents aware of the Safety Plan and the Instructions and Warnings and train any employee or resident who uses Propane to use it in accordance with the Safety Plan and the Instructions and Warnings. **YOU AGREE THAT IN THE EVENT YOU OR ANY EMPLOYEE, TENANT OR OTHER RESIDENT DOES NOT FOLLOW THE SAFETY PLAN AND THE INSTRUCTIONS AND WARNINGS, WE WILL NOT BE RESPONSIBLE FOR ANY DAMAGES THAT MAY RESULT OR OCCUR, INCLUDING BUT NOT LIMITED TO PERSONAL INJURY, DEATH OR PROPERTY DAMAGE.** It is your duty to inform us about all work of any nature on any part of your System and/or related appliances, including but not limited to repair, removal, installation, adjustment, modification, maintenance and/or service of any part of the System and/or related appliances.

II. TERMS APPLICABLE TO EQUIPMENT RENTAL

1. Equipment Rental. If you are renting equipment from us, the equipment includes all tanks, cylinders, and related appurtenances, including but not limited to all first stage regulators, pigtails, additional hoses and other components included in your rental package (the "Rented Equipment"). We will deliver the Rented Equipment to you and install it, if installation is required. You agree to rent the Rented Equipment for the period this Agreement is in effect, unless changed by mutual consent. Rental payments will not be credited, refunded or prorated if service terminates before the lease term expires. If you have a question about your Rented Equipment, call your Customer Service Number. The Rented Equipment belongs to us even though it may be on, fastened to or attached to your Property. You are responsible for the repair of any damage caused to the Rented Equipment while on your Property. If you recover insurance proceeds for loss of the Rented Equipment for any reason, you must deliver the proceeds to us for replacement of the Rented Equipment.

2. Limitations On Use. You will not permit any Propane or other product to be delivered into the Rented Equipment by anyone other than us. The Rented Equipment must not be moved, handled or maintained by anyone other than us or someone authorized by us. You may not move the Rented Equipment to any location other than the location where

we installed it, without our express authorization. Call us at our Customer Service Number if maintenance or repair is needed. **YOU AGREE THAT IF YOU DO NOT STRICTLY FOLLOW THESE LIMITATIONS ON USE, WE WILL NOT BE RESPONSIBLE FOR ANY DAMAGES THAT MAY OCCUR OR RESULT FROM YOUR USE OF PROPANE OR OTHER PRODUCTS OBTAINED FROM US, INCLUDING BUT NOT LIMITED TO PERSONAL INJURY, DEATH OR PROPERTY DAMAGE.**

3. Your Inspection Obligations. You must regularly inspect the Rented Equipment. You must inform us at once if the Rented Equipment has sustained any damage. Follow the emergency procedures in the Safety Plan any time you smell odorized Propane or believe the Rented Equipment to be damaged.

4. Underground Tanks. All underground Tanks must be purchased from us or rented on a lease-to-own basis. In some regions, you may be able to rent an underground Tank other than on a lease-to-own basis for an annual rental charge. You should call the Customer Service Number to find out if this option is available in your area. If you rent a Tank on a lease-to-own basis, you will receive the "Lease to Own Supplement" to this Agreement. If you buy an underground Tank, rent an underground Tank or enter into a Lease to Own Supplement, you will be responsible for paying all fees for installation as well as for repairs and replacement of property, including landscaping, caused by or related to the installation of the underground Tank. You may not remove or replace stakes or markers placed on the Property to mark the Tank's location without our prior consent. At the end of the usable life of the Tank, as determined by us in our discretion, or on termination of this Agreement if you rent the Tank on terms other than a lease-to-own basis, you must pay all costs incurred for the removal and/or closure of the Tank in accordance with all Applicable Laws and for all costs associated with damage to the Property as a result of removal, including landscaping.

III. PAYMENT TERMS FOR PROPANE PURCHASE, EQUIPMENT RENTAL AND RELATED CHARGES

1. Payment Obligation. You agree to pay us for all Propane delivered, the rental price for Rented Equipment and all other charges which you incur in accordance with the payment option applicable to you. Your payment option plan is Pay in Advance unless other arrangements have been made and you are notified that you have been accepted into one of the other alternative payment option programs, as described

below (Cash on Delivery, Budget Billing or Statement Billing). You agree to pay all amounts you owe us at the time you are required to pay. We will apply payments to the oldest balance due. If you fail to pay us when payment is due, we may refuse to deliver Propane to you until you pay your outstanding balance and pay in advance for future delivery. We may also apply any amount we hold as a deposit against amounts you owe us.

2. Payment Options.

- a. Pay in Advance.** If you are a customer who must pay in advance of delivery, no Propane or Rented Equipment will be delivered to you unless you have paid in full prior to delivery ("Pay in Advance"). You may pay in advance by mailing or hand-delivering your payment at our local office at the address on your Service Letter, or you may pay by credit card or electronic funds transfer by calling the Customer Service Number. Service will not be provided until we have actually received your payment. You should mail payments no less than seven (7) business days prior to the date you wish to have Service, or hand-deliver your payment at our local office no less than three (3) business days prior to the date you wish to have Service. You will receive credit on the following business day for credit card payments by telephone or after our receipt of an electronic funds transfer. You may call us at the Customer Service Number if you have any questions about making payments. If you are a Pay in Advance customer, we may allow you to pay on a "Cash on Delivery" or "C.O.D." basis, at our sole election from time to time. We may at our discretion, inform you at any time that you no longer qualify for C.O.D. payment and require you to pay in advance. Certain costs will be billed to you after they are incurred even if you are a Pay in Advance customer.
- b. Budget Billing.** If you have elected and are approved for budget billing, we will bill the same amount each billing period based on your estimated annual usage ("Budget Billing"). Each quarter, we will review your account. We will compare the estimated amount you have been billed to the actual amount of Propane delivered to you. You are responsible for paying for the actual amount of Propane delivered to you. We will adjust your statements for the following quarter based on your usage and current prices. We will

also recompute your payment amounts on an annual basis, and will adjust your monthly billing amount for the next year by the amount that you have overpaid or underpaid. We reserve the right to review your account and adjust your statement to reflect actual usage at any time. All non-Propane charges will be billed to you on your monthly statement, in addition to the monthly amount you are billed for Propane, and will be due and payable on the due date shown on the statement. We may, at our discretion, inform you that you no longer qualify for Budget Billing and require you to pay using other methods and remove you from Keep Full status.

c. Statement Billing. If you have elected and are approved for statement billing, we will bill you after delivery by sending you a statement after the Rented Equipment or Propane has been delivered to you that will include all applicable charges ("Statement Billing"). Payment will be due by the due date shown on the statement. We may, at our discretion, inform you that you no longer qualify for Statement Billing and require you to pay using other methods and remove you from Keep Full status.

3. Billing Inquiries. If you have questions about your statements, you should call us at the Customer Service Number. You must call us within ten (10) days of receiving a statement, if you believe that any of the information on the statement is incorrect. Otherwise, you will be responsible for all amounts charged to you on the statement.

4. Credit Check. If you have requested or request in the future either Budget Billing or Statement Billing, you have given us or will give us permission to obtain your credit information from consumer reporting agencies at any time. If we determine that we will no longer make Budget Billing or Statement Billing available to you because of your credit information, or for any other reason, we will notify you that you must pay in advance for future Service.

5. Payment of Other Charges. Your payment for Propane delivery and Rented Equipment does not include certain other charges that are set forth on the Current Charges List. If you are a Pay in Advance customer, you must pay installation and connection charges prior to installation. Budget Billing and Statement Billing customers will be billed for installation and connection charges after those charges are incurred. Certain other charges will be billed to all customers. Payment

is due and payable on the due date shown on your statement. The Current Charges List includes a "HAZMAT Fee" for the handling of hazardous materials and for compliance with laws and regulations concerning hazardous materials. These fees do not represent a tax or fee paid to or imposed by any governmental authority, and we will retain all of the charges. We have not specifically quantified the relationship between the charges and the actual costs associated with the charges, which can vary by product, service, time and place, among other things.

6. Late Payment Charges and Returned Check Fees. Your payment for delivery of Propane or any other Service which is billed to you on a statement is due upon receipt of the statement. You understand and agree that in the event that you do not pay for Service on time, we will be damaged. It would be difficult to ascertain the extent of actual damages incurred by us. Accordingly, if you are a residential customer we will charge you a late charge equal to one and one-half percent (1.5%) of the amount past due if you have not paid for deliveries or other amounts billed to you for the first time on each statement by the date that is thirty (30) days after the date shown on that statement. If you are not a residential customer, we will charge you the late charge if you do not pay in accordance with the payment terms we have established for you. Whether a residential customer or not, we will assess an additional late charge of one and one-half percent (1.5%) for each succeeding monthly billing date on which a past-due balance remains. If state law where you receive Service does not permit a late charge of one and one-half percent (1.5%) of the amount past due, we will adjust the late charge to the highest amount permitted by applicable law. You agree that the late charge is liquidated damages and is not a penalty. If your check, draft or electronic funds transfer is returned for insufficient funds, we will also charge you twenty-five dollars (\$25) or the highest amount permitted under applicable state law for the returned check, whichever is less.

IV. EQUIPMENT OR PRODUCTS PURCHASE, SERVICE AND REPAIR

1. Purchase of Equipment. If you purchase tanks, equipment or other appliances or products ("Products") from us, including purchasing equipment on a lease-to-own basis, you will have sole responsibility for the Products after purchase. You will be responsible for maintaining the Products in accordance with all Applicable Laws and industry standards, including without limitation, any standards set forth by the

National Fire Protection Association, the United States Department of Transportation and the American Society of Mechanical Engineers ("Industry Standards").

- a. Use of Purchased Tanks.** You will use any new or used Propane tank purchased from us which is not designated as a "junk tank" solely for the storage and use of Propane to be consumed in accordance with all Applicable Laws. If you have purchased a tank that we have designated as a "junk tank," you may not use the tank for Propane storage, the storage of any other compressed gas or for any other use as a pressure vessel.
- b. Your Inspection.** You will have an opportunity to inspect and become familiar with the condition of the Products you purchase prior to purchase. You may conduct any mechanical inspections or investigations you deem appropriate. All sales are final.
- c. Environmental Matters.** You release us from any and all claims, demands, obligations, causes of action and liabilities arising out of or in any way related to the presence of hazardous substances (as defined below) on, in or under the Property where the Product purchased is located, regardless of how or when such hazardous substances came to be located on, in or under the Property. You agree to protect, defend, indemnify and hold us harmless from and against any and all claims, demands, losses, liabilities, penalties, fines and any other costs and expenses (including attorney's fees) which arise out of or in any way are connected to the presence of any hazardous substances on, in or under the Property or the Product, regardless of how or when such hazardous substances came to be located on, in or under the Property or the Product. The term "hazardous substances" shall mean any substance or substances which at any time shall be listed as "hazardous" or "toxic" under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.S. 9601 et. seq. as amended, and shall also include, without limitation, liquefied petroleum gas (including Propane and any additives thereto), petroleum products or by-products and constituents, and any other material or substance termed "hazardous" under any other federal, state or local law, rule, regulation or ordinance.

- d. Exclusive Remedy.** Your exclusive remedy for defective title or goods shall be limited solely to a refund of the purchase price. No other remedy (including but not limited to the recovery of direct, incidental, special or consequential damages for lost profits, lost sales, injury to persons or property, or any other loss) shall be available to you, whether by direct action, claim for contribution, indemnity or otherwise, and whether based on contract, tort or other legal theory. This exclusive remedy shall not be deemed to have failed of its essential purpose as long as we are willing and able to carry out the terms of the remedy set forth herein.
- e. Personal Injury and Property Damage. YOU AGREE TO RELEASE AND HOLD US HARMLESS, AS WELL AS OUR EMPLOYEES, DIRECTORS, AGENTS OR ASSIGNS, FOR YOUR OR YOUR GUESTS', INVITEES', FAMILY MEMBERS', EMPLOYEES', AGENTS', CONTRACTORS' AND/OR CUSTOMERS' NEGLIGENCE, BREACH OF WARRANTY OR STRICT LIABILITY. YOU AGREE TO PAY ALL SETTLEMENTS, AWARDS, JUDGMENTS AND EXPENSES, INCLUDING ATTORNEY'S FEES ARISING OUT OF OR RESULTING FROM YOUR OR YOUR EMPLOYEES', CONTRACTORS' AND/OR CUSTOMERS' USE OF ANY EQUIPMENT PURCHASED FROM US.**

2. Service, Inspection and Repair.

- a. Ferrellgas Installation Review.** We must perform an installation review in accordance with our policies ("Ferrellgas Installation Review") prior to starting the delivery of Propane to a new customer and at such other times as we determine, in our discretion, from time to time. The cost of a Ferrellgas Installation Review will generally be charged to you. In the event that we discover a leak or other unsatisfactory condition during a Ferrellgas Installation Review, you must have the identified problem corrected at your expense if you own the affected equipment. You must also pay to have the identified problem corrected at your expense if you have the obligation to pay as set forth in Section II.1 or any other section of this Agreement. We will not be responsible for undiscovered defects in materials, equipment or appliances on your premises.

b. Service. We may perform maintenance, repair, testing or inspection services for you from time to time. These services may result in a cost to you at our then-current rates. During a Ferrellgas Installation Review or other maintenance, repair, testing or inspection service performed by us, we will use our reasonable commercial efforts to determine problems with your System. However, not all problems can be detected and some problems may develop later. You must notify us at the time of inspection of any hidden, known or suspected defects. You must follow the Safety Plan at all times and visually inspect your System and equipment from time to time for signs of damage or wear, and notify us if you detect any problems. We will not inspect your appliances or equipment, and we make no representations and warranties to you as to whether your appliances or equipment are in a safe condition, unless expressly stated in writing. We undertake no responsibility for the continuing maintenance or inspection of your System. We have no responsibility or liability for any part of your System not specifically described in writing at the time service is performed.

c. Installation. Prior to installing a new System, you should request us to specify where your System should be located. You must install or have the System installed at the location we specify. You may not move, open or tamper with the System after it is installed in any manner. If you need to move the System or any part of the System, you must call us to provide this service for you.

V. GENERAL TERMS APPLICABLE TO ALL SERVICES, MAINTENANCE, INSPECTION, TESTING AND REPAIR

1. Access to Property. You agree that our representatives may enter your Property (even if you are not present) for the purpose of making deliveries of Propane, for gaining access to equipment into which Propane is delivered, for repairs and maintenance, for installing or removing property belonging to us, for investigating the cause of any fire or accident and for any other purpose related to the Service. We may refuse to provide Service if we believe that we cannot safely make delivery due to conditions on or approaching your Property, including unsafe road conditions, dangerous animals or locked gates. You agree to maintain the Property in a condition so that the weight of our vehicle will not damage your driveway or yard, and agree not to hold us responsible

for any such damage. You agree to provide ingress and egress to the equipment. You agree not to erect structures, fences or other improvements and not to plant or grow trees or shrubs that restrict access to the equipment.

2. Monitoring your Property During Your Absence. If you leave your Property during the heating season or if your property is not continually occupied (such as a vacation home), you must have someone check your Property daily or otherwise monitor the Property with an alarm system to be sure that the heat is on. Power outages, a System failure or running out of Propane can cause your Property to be without heat. We will not be responsible for losses caused by your failure to have your Property adequately monitored during your absence.

3. Compliance with Applicable Laws. You must comply with all Applicable Laws and Industry Standards concerning use or storage of Propane. You will pay any costs associated with repairs, modifications or additions to equipment (including Rented Equipment) required by Applicable Laws or Industry Standards.

4. Termination of Service. Service may be terminated under this Agreement without cause by either you or us by delivering written notice ten (10) days prior to termination. You may also terminate service by calling the Customer Service Number ten (10) days prior to termination. If you fail to perform any of your obligations under this Agreement or if we, in our discretion, believe any part of your System may not be safe, we may, at our option, immediately suspend Service until you cure the default or unsafe condition or may terminate Service under the Agreement. If you fail to make payment in accordance with our payment terms, or fail to perform any of your other obligations, or if you no longer occupy or use the Property, we may terminate Service without prior notice. In addition, Service will terminate without notice to you at our option upon the institution of any proceeding alleging that you are insolvent or unable to pay your debts, or on your death or dissolution, or if you take action to go out of business.

5. Effect of Termination. If Service is terminated, in addition to any other remedy we may have, we may adjust or disconnect the equipment to stop withdrawal of Propane from any Tank, pick up any Rented Equipment and repossess and dispose of any Propane left in the Tank. You will be charged a "Tank Pick-Up Charge" and other applicable charges as set forth on the Current Charges List as in effect at the time of

termination. You may be entitled to a credit or refund for any Propane which remains in the Tank, subject to tank pump out and pickup charges and other charges specified in the Current Charges List. In the event that we determine, in our sole discretion in accordance with our internal policies, to provide a refund for Propane remaining in the Tank, the refund will be applicable only to Propane that we resell and the refund shall be based on the lower of the price at which you purchased the Propane or the current market price for the Propane at the time that we take possession of the Propane. If you are a Budget Billing customer, we will review your account. If you have used more Propane than the estimated amount, you must pay us for the shortfall. If you have used less Propane than the estimated amount, we will, at our option, either refund the overpayment to you or use the overpayment to reduce other amounts you owe us. You will be responsible for paying all amounts you owe us under this Agreement even after termination. All of Section II, all of Section III, all of Section IV and Sections V.1, 5, 6, 7, 8, 9, 10, 11 and 12 will continue to apply even after termination of Service.

6. Payment of Taxes, Losses and Collection Costs. You are responsible for paying any taxes, including personal property taxes attributable to the Propane and any Rented Equipment until termination of Service. You are also responsible for paying for all loss or damage to Rented Equipment or Propane owned by us, except for damage to the Rented Equipment resulting from ordinary wear and tear. The cost of maintenance and repair of Rented Equipment as a result of ordinary wear and tear will be borne by us. If inspection, testing or repairs are required by Applicable Laws, you must pay for all such work and for all costs associated with such work, including landscaping costs, if any. You must pay all costs we incur to enforce any of the provisions of this Agreement, including reasonable attorney's fees.

7. Indemnification; Hold Harmless. You shall indemnify and hold us, our officers and our employees and other representatives, harmless from and against any and all claims, losses, damages, causes of action, suits, liabilities and judgments (including all expenses of litigation and reasonable attorney's fees), injury to or death of any person or for damages to any property to the extent that such injuries, death or damages are caused by the negligence or the willful acts of you or your guests, invitees, family members, employees, agents, contractors and/or customers or by the failure to follow your obligations as set forth in this Agreement.

8. Arbitration.

a. Agreement to Arbitrate. You agree that any claim, dispute or controversy, whether in contract, tort (intentional or otherwise), including without limitation, product liability, property damage, personal injury claims or claims based on strict liability, whether pre-existing, present or future, and including constitutional, statutory, common law, regulatory and equitable claims in any way relating to (a) the Service; (b) any Rented Equipment or equipment sold to you by us; (c) the Agreement; (d) Propane delivered or sold by us; or (e) the Safety Plan, advertisements, promotions or other brochures or writings prepared by us in any way relating to the Service or this Agreement and/or the relationship between you and us, including the validity, enforceability or scope of this Section or any part thereof (collectively, a "Claim") shall be resolved, upon the election of either you or us, by binding arbitration.

b. Process for Arbitration. Arbitration will be governed by this Section V.8 and the applicable rules of either the American Arbitration Association, JAMS/Endispute or the National Arbitration Forum in effect at the time the Claim is filed. The party initiating the arbitration proceeding shall have the right to select one (1) of the above arbitration administrators. The Claim shall be heard by a panel of three (3) independent arbitrators. Each party shall appoint one (1) arbitrator within sixty (60) days of the initiation of the arbitration proceeding, and the third impartial arbitrator must be an attorney with more than ten (10) years experience or a judge or retired judge and be appointed by the other arbitrators within thirty (30) days after appointment of the arbitrators appointed by the parties. The arbitration shall take place in the state in which Service is provided to you. In the event of a conflict between this Section V.8 and the rules of the arbitration administrator, this Section V.8 will govern. This Section V.8 shall not apply to (i) Claims for payment of amounts due for Propane purchases or equipment rental, including all applicable fees, late payment charges, returned check charges and collection costs or (ii) to any Claim which you could bring as an individual in a small claims court or an equivalent court.

- c. No Class Action.** No class actions or joinder or consolidation of claims with other persons are permitted in the arbitration without the consent of both you and us. The arbitration administrators selected pursuant to Section V.8.b above are authorized to arbitrate disputes as to any Claim brought by you against us or by us against you and, without our consent, are not authorized to arbitrate any similar or identical claims brought by other persons.
- d. Payment of Fees.** You must pay the first fifty dollars (\$50) of any filing fee. At your request, we will pay the remainder of any filing fee, up to five hundred dollars (\$500) on any Claim. If you must pay any additional fees to the arbitration administrator, we will consider a request to pay all or part of the additional fees; however, we shall not be obligated to pay the additional fees unless the arbitrators grant you an award. If the arbitrators grant an award in your favor, you will not be required to reimburse us for any fees we have previously paid to the arbitration administrator or for which we are responsible.
- e. General Statements.** This arbitration agreement is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16 (the "FAA"). The arbitrators shall apply substantive law consistent with the FAA and the arbitrators' award shall not be subject to appeal, except as permitted by the FAA. Nothing in this Section shall be construed to prevent our use of offset or other contractual rights to pay off any amounts you owe to us. **YOU ACKNOWLEDGE THAT YOU HAVE A RIGHT TO LITIGATE CLAIMS IN COURT BEFORE A JUDGE OR JURY, BUT YOU PREFER TO RESOLVE ANY SUCH CLAIMS THROUGH ARBITRATION AND KNOWINGLY AND VOLUNTARILY WAIVE YOUR RIGHTS TO LITIGATE SUCH CLAIMS IN COURT BEFORE A JUDGE OR A JURY, UPON ELECTION OF ARBITRATION BY YOU OR BY US. YOU WILL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS OF CLAIMANTS PERTAINING TO ANY CLAIM SUBJECT TO ARBITRATION, EVEN IF SUCH CLASS ACTION IS PENDING ON THE EFFECTIVE DATE OF THIS ARBITRATION PROVISION, EXCEPT THAT THIS ARBITRATION PROVISION WILL NOT PRECLUDE YOUR PARTICIPATION IN A CLASS WHICH HAS**

ALREADY BEEN CERTIFIED ON THE EFFECTIVE DATE OF THIS ARBITRATION PROVISION. THIS SECTION 8 APPLIES ONLY TO THE EXTENT PERMITTED UNDER YOUR STATE LAW.

9. Limited Warranty, Disclaimer. We warrant that at the time we transfer ownership of Propane or any other Product to you, we will transfer it free from all liens, claims and encumbrances. **WE MAKE NO OTHER REPRESENTATIONS OR WARRANTIES OF ANY KIND, DIRECT OR INDIRECT, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, NONINFRINGEMENT, SUITABILITY, MERCHANTABILITY, FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPANE OR EQUIPMENT. WE EXPRESSLY DISCLAIM AND EXCLUDE ALL SUCH REPRESENTATIONS AND WARRANTIES AND DO NOT PERMIT ANYONE, INCLUDING OUR EMPLOYEES, AGENTS OR REPRESENTATIVES, TO MAKE A WARRANTY OF ANY KIND ON OUR BEHALF. ALL EQUIPMENT, USED OR NEW, IS PROVIDED "AS IS."**

10. Limitations of Liability. YOU AGREE THAT UNDER NO CIRCUMSTANCES WILL WE BE LIABLE FOR INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS OR INCREASED COSTS OF OPERATION. WE WILL ALSO NOT BE LIABLE FOR PUNITIVE, INCIDENTAL, EXEMPLARY OR SPECIAL DAMAGES. THESE LIMITATIONS APPLY EVEN IF THE DAMAGES WERE FORESEEABLE OR IF WE WERE TOLD THEY WERE POSSIBLE. THESE LIMITATIONS APPLY WHETHER THE CLAIM IS BASED ON CONTRACT, TORT, PRODUCT LIABILITY OR ANY OTHER LEGAL OR EQUITABLE THEORY. OUR LIABILITY FOR LANDSCAPING DAMAGE DURING INSTALLATION, DISCONNECTION OR DELIVERY SHALL NOT EXCEED THE REASONABLE COST OF GRADING AND REPLACING LANDSCAPING AND IN NO EVENT SHALL EXCEED ONE THOUSAND DOLLARS (\$1,000).

11. Amendment. We may amend this Agreement at any time upon notice to you. The amendment will become effective thirty (30) days after notification to you for all Services subject to this Agreement. If you continue to use the Propane, use the Rented Equipment or pay for the Service after any amendment has become effective, you will agree to the amendment.

12. Property Issues.

- a. Sale of Property.** If you own the Property where Propane is delivered or Rented Equipment is installed, you must give us thirty (30) days' prior notice in writing or by calling the Customer Service Number before you sell the Property.
- b. Landlord.** If you are a landlord and are renting out the Property where Propane is delivered or Rented Equipment is installed, you must inform any and all tenants of the presence of Propane-operated appliances or other equipment on the premises. You must notify us in writing at least thirty (30) days prior to a change in occupancy. You must supply us with the current tenant's name, telephone number and the date on which he or she plans to take possession of the Property. You must also supply thirty (30) days' advance written notice to us and to any tenants of any installation, service, repair or removal of Propane lines or equipment. If your tenant leaves the Property, you will be responsible for any Propane used after the tenant has given up possession.
- c. Tenant.** If you are a tenant, and you rent or have some other right to use the Property where Propane is in use, you acknowledge the presence of Propane-operated appliances on the Property. You must supply us with your landlord's name, address and telephone number. You must notify us in writing at least thirty (30) days prior to the date on which you plan to surrender possession. You must also supply thirty (30) days' advance written notice to us and to the landlord of any installation, service, repair or removal of Propane lines or equipment.

13. Miscellaneous.

- a. Waiver.** Our waiver or delay of enforcement of any of our rights under this Agreement shall not prevent us from enforcing those rights at a later date and shall not constitute a waiver of any subsequent breach of this Agreement by you.
- b. Severability.** If any provision of this Agreement is found invalid, the rest of this Agreement will remain enforceable.

- c. Entire Agreement.** This Agreement, together with the Service Letter and Safety Plan and any written agreements signed between us that are limited to pricing and cover the current period, constitute the entire agreement between us. No employee, representative or agent has any authority to vary the terms of this Agreement.
- d. Acts Beyond Our Control.** We will not be responsible for any delay; failure of performance; loss or damage due to fire, explosion, power blackout, earthquake, flood or weather elements; strike; labor disputes; embargo; civil or military authority; war; acts of God; acts of carriers or suppliers (including shortages or pipeline allocations); acts of terrorism; acts of governmental agencies; or other causes beyond our reasonable control. We will have no obligation to purchase Propane for delivery and sale under this Agreement from others in order to replace Propane which is not available due to circumstances beyond our control.
- e. Notices.** Notices to you from us under this Agreement will be made by mailing notice to you either under separate cover or by including notice with a billing statement. Notices will be effective upon deposit into the U.S. mail. Notices from you to us will be effective by mailing written notice to us at the address on your Service Letter.
- f. Assignment.** You may not assign your rights under this Agreement to any other party. We may assign our rights and obligations under this Agreement at any time without notice to you.
- g. Governing Law.** This Agreement and all Service performed under this Agreement are governed by the law of the State of Missouri, without regard to choice of law rules, except that the arbitration provisions in Section V.8 are governed by the FAA.

CURRENT CHARGES LIST

FEES	MAXIMUM CHARGES	EXPLANATION
<i>Charges to Discontinue Service</i>		
Tank Pump Out Charge	Hourly Rate	Empty Tank prior to pickup.
Tank Pick-Up Charge	Hourly Rate	Remove Tank from Customer's property.
<i>Delivery Charges</i>		
Off-Route Delivery Charge	\$150.00	Customer requests off-route delivery during normal business hours.
Emergency Delivery Fee	\$200.00	Customer requests delivery after normal business hours.
HAZMAT Fee	\$15.99	Assessed per delivery.
Minimum Delivery Fee	\$150.00	Imposed if Customer demands delivery of less than the following minimums: 200-gallon minimum for tanks 500 gallons or larger; full fill (60% of capacity) for tanks less than 500 gallons.
<i>Meter Service</i>		
Read Meter Fee	Hourly Rate	Read meter to process final bill.
Meter Gas Minimum Fee	\$20.00	Minimum monthly charge for a meter service Customer.

CURRENT CHARGES LIST		
FEEES	MAXIMUM CHARGES	EXPLANATION
<i>Fuel Surcharge</i>	Variable*	Additional charge based on increased fuel charges.
<i>Miscellaneous</i> Service Work Charges	Hourly Rate	Work such as installation or removal of Tank, piping, equipment, etc.

***GO TO WWW.FERRELLGAS.COM AND WWW.EIA.DOE.GOV FOR DETAILS.**

WE RESERVE THE RIGHT TO CHARGE UP TO AND INCLUDING THE MAXIMUM FEES SHOWN ON THIS CURRENT CHARGES LIST. NOT ALL FEES MAY BE APPLICABLE TO YOU, DEPENDING ON YOUR SERVICE AND LOCATION. HOURLY RATES VARY BY GEOGRAPHIC REGION. ALL FEES CAN VARY AMONG OUR LOCATIONS, BUT WILL NOT EXCEED THE MAXIMUM CHARGE LISTED ABOVE. CONTACT YOUR LOCAL OFFICE OR CALL THE CUSTOMER SERVICE NUMBER FOR THE AMOUNT OF THESE FEES CHARGED IN YOUR PARTICULAR SERVICE AREA.



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