

PROPANE SUPPLY AND EQUIPMENT AGREEMENT

This agreement is made effective the

day of

BETWEEN:

(the "Vendor") (Full legal name of Co-op)
having its principal place of business at

(Full address of Co-op)

(Postal Code)

AND

(the "Customer")

(Full legal name of Customer) (If individual(s), given name, second name, surname)

(Full address of Customer)

(Postal Code)

- 1 **SUPPLY OF PROPANE.** The Vendor agrees to supply to the Customer and the Customer agrees to buy exclusively from the Vendor all of its propane requirements used on the Customer's premises (the "Premises"). The Customer agrees to pay for the propane at the price set by the Vendor from time to time plus all applicable federal and provincial taxes.
- 2 **PAYMENT.** The Vendor's statements are due when rendered. For customers purchasing on credit, if the Vendor believes that the Customer's circumstances warrant it, the Vendor may require the Customer to pay for future deliveries of propane either in advance or at the time of delivery.
- 3 **ORDERING AND DELIVERY.** Although from time to time the Vendor fills the Customer's tank while making other deliveries in the area, the Vendor does not assume any responsibility for monitoring the level of propane in the Customer's tank. The Customer remains responsible at all times to promptly notify the Vendor whenever the visual gauge indicates 30% in the tank to ensure delivery before the tank is empty.
- 4 **LEASE OF EQUIPMENT.** The Vendor agrees to lease to the Customer the propane storage equipment described below (the "Equipment") to use on the Premises to store propane supplied by the Vendor:
Type or Kind of Equipment Model Serial No.

The Customer authorizes the Vendor to complete the description of the Equipment at a later date or to amend the description from time to time when Equipment is changed or substituted.

- 5 **TERM.** The initial term of this agreement begins on (the "Commencement Date")
The initial term ends on (the "Expiry Date"). The agreement, as amended from time to time, will be renewed automatically after the expiry of the initial term for successive one-year terms.

- 6 ~~The Rental Fee (the "Rent") is \$ _____ per year for the initial term, subject to adjustments as set out below, plus all applicable federal and provincial taxes. The Vendor may adjust the Rent on each anniversary of the effective date of this agreement in accordance with prevailing market rentals for similar equipment. The Customer has 10 days after it receives notice of an increase in the Rent in its regular statement to terminate this agreement by written notice to the Vendor. The Rent is due in advance on the first day of the first month in each year of the initial term and renewal terms without setoff or deduction.~~

- 7 ~~INSTALLATION COSTS. The Customer agrees to pay the Vendor the costs of installing the Equipment.~~

- 8 **LOCATION OF EQUIPMENT.** The Equipment is located at the customer's civic address shown above; the legal description of which is:
- 9 **OWNERSHIP OF EQUIPMENT.** The Equipment remains the property of the Vendor at all times and may be removed by the Vendor at any time after termination of this lease, or as otherwise provided in this lease. The Customer will keep the Equipment free and clear of all claims, liens and encumbrances. The Customer will indemnify the Vendor against all claims and liens of the Customer's creditors and any entity claiming through the Customer.
- 10 **MAINTENANCE AND REPAIRS.** Upon notice by the Customer, the Vendor will keep the Equipment in good working order and condition and make all necessary adjustments, repairs and replacements, arising from ordinary use and reasonable wear and tear. The Customer must immediately notify the Vendor of the improper functioning of the Equipment.

- 11 **DAMAGE TO EQUIPMENT.** The Customer bears the full risk and responsibility for any loss, destruction or damage occurring to the Equipment however caused, including without limitation, any loss, destruction or damage arising out of any breach of this agreement by the Customer or arising from the acts or omissions, negligent or otherwise, of the Customer, or its employees, agents, contractors, customers or third parties. In the case of any loss, destruction or damage, the Vendor will repair or replace the Equipment at the Customer's expense.
- 12 **INSURANCE.** The Customer agrees to obtain and maintain in place all-risk property insurance on the Equipment located on the Premises to its full replacement value.
- 13 **LIABILITY AND INDEMNITY.** The Customer assumes and indemnifies the Vendor against all risks and liability for personal injury or death and for loss or damage to property of the Customer or others, arising from any breach of this agreement by the Customer or from the negligent acts or omissions of the Customer or its employees, agents, contractors, customers or from the acts of third parties.
- 14 **ACCESS.** The Vendor's employees and agents are authorized to enter the Premises or any building on the Premises where the Equipment may be found to view the state of the Equipment, to make repairs to it, to retake possession of the Equipment, and for all proper purposes in connection with the Equipment.
- 15 **TERMINATION.** Either party may terminate this agreement at the expiration of the initial term or any renewal term by giving not less than 7 days' prior written notice to the other party.
- 16 **RIGHT OF FIRST REFUSAL.** If the Customer gives notice of termination as a result of having received a bona fide offer from a third party to supply the Customer's propane requirements at a price lower than that being charged by the Vendor, the customer shall provide details to the Vendor in writing immediately. The Vendor shall have the right, if it so chooses to exercise that right, to supply the Customer's propane requirements at the price offered by the third party.
- 17 **EVENTS OF DEFAULT.** The Customer will be in default under this agreement and the unpaid balance of any obligation, indebtedness or liability arising under this agreement will become immediately due and payable at the Vendor's option, if any of the following events occur:
a) the Customer fails to pay any amount due or to perform any obligation under this agreement;
b) the Customer attempts to move, remove, sell, transfer, encumber, assign or sublet (except as expressly permitted by the provisions of this agreement) the Equipment or the Premises;
c) ~~the Customer purchases less than twice the capacity of the storage tank during any 12-month period in the term.~~
- 18 **VENDOR'S REMEDIES.** If any event of default occurs, the Vendor, at its option, may do all or any of the following:
a) terminate this agreement immediately or suspend deliveries until the default has been cured;
b) repossess the Equipment, in which case the Customer agrees to pay the Vendor's current charge for disconnection, pump out and pick-up.
- 19 **INTEREST.** All overdue payments will bear interest at the Vendor's then current rate of interest.
- 20 **EXCUSABLE DELAY.** If for any reason beyond the Vendor's control, the Vendor's supply of propane from its normal suppliers becomes inadequate to meet the vendor's obligations to all its customers and its own needs or when the Vendor has reasonable cause to believe that any one of these events may occur, the Vendor may either discontinue deliveries under this agreement or reduce the quantities to be sold under this agreement by allocating its available supply among its customers and itself in such manner as it may determine in its sole discretion.
- 21 **OPTION.** The Customer may purchase the Equipment at any time on 30 days' written notice to the vendor. The purchase price will be the then current market value of the Equipment as determined by the Vendor. Rental payments previously paid, to a maximum of two years rental payments, will be applied by the Vendor in partial satisfaction of the purchase price. The Vendor will provide the Customer with a bill of sale and the Customer will release the Vendor from all liability, expenses and causes of action in respect of the Equipment. Upon the closing of the agreement of purchase and sale of the Equipment, the Equipment lease portion of this agreement terminates.

The parties have signed this agreement as of the date set out above.

Signing by Customer

By:

Title

Federated Co-operatives Limited
Signing as the Agent of the Vendor

PROPANE SUPPLY AND EQUIPMENT AGREEMENT

This agreement is made effective the

day of

BETWEEN:

(the "Vendor") (Full legal name of Co-op)
having its principal place of business at

(Full address of Co-op)

(Postal Code)

AND

(the "Customer")

(Full legal name of Customer) (If individual(s), given name, second name, surname)

(Full address of Customer)

(Postal Code)

- 1 **SUPPLY OF PROPANE.** The Vendor agrees to supply to the Customer and the Customer agrees to buy exclusively from the Vendor all of its propane requirements used on the Customer's premises (the "Premises"). The Customer agrees to pay for the propane at the price set by the Vendor from time to time plus all applicable federal and provincial taxes.
- 2 **PAYMENT.** The Vendor's statements are due when rendered. For customers purchasing on credit, if the Vendor believes that the Customer's circumstances warrant it, the Vendor may require the Customer to pay for future deliveries of propane either in advance or at the time of delivery.
- 3 **ORDERING AND DELIVERY.** Although from time to time the Vendor fills the Customer's tank while making other deliveries in the area, the Vendor does not assume any responsibility for monitoring the level of propane in the Customer's tank. The Customer remains responsible at all times to promptly notify the Vendor whenever the visual gauge indicates 30% in the tank to ensure delivery before the tank is empty.
- 4 **LEASE OF EQUIPMENT.** The Vendor agrees to lease to the Customer the propane storage equipment described below (the "Equipment") to use on the Premises to store propane supplied by the Vendor:
Type or Kind of Equipment Model Serial No.

The Customer authorizes the Vendor to complete the description of the Equipment at a later date or to amend the description from time to time when Equipment is changed or substituted.

- 5 **TERM.** The initial term of this agreement begins on (the "Commencement Date")
The initial term ends on (the "Expiry Date"). The agreement, as amended from time to time, will be renewed automatically after the expiry of the initial term for successive one-year terms.
- 6 ~~The Rental Fee (the "Rent") is \$ _____ per year for the initial term, subject to adjustments as set out below, plus all applicable federal and provincial taxes. The Vendor may adjust the Rent on each anniversary of the effective date of this agreement in accordance with prevailing market rentals for similar equipment. The Customer has 10 days after it receives notice of an increase in the Rent in its regular statement to terminate this agreement by written notice to the Vendor. The Rent is due in advance on the first day of the first month in each year of the initial term and renewal terms without setoff or deduction.~~
- 7 ~~INSTALLATION COSTS. The Customer agrees to pay the Vendor the costs of installing the Equipment.~~
- 8 **LOCATION OF EQUIPMENT.** The Equipment is located at the customer's civic address shown above; the legal description of which is:
- 9 **OWNERSHIP OF EQUIPMENT.** The Equipment remains the property of the Vendor at all times and may be removed by the Vendor at any time after termination of this lease, or as otherwise provided in this lease. The Customer will keep the Equipment free and clear of all claims, liens and encumbrances. The Customer will indemnify the Vendor against all claims and liens of the Customer's creditors and any entity claiming through the Customer.
- 10 **MAINTENANCE AND REPAIRS.** Upon notice by the Customer, the Vendor will keep the Equipment in good working order and condition and make all necessary adjustments, repairs and replacements, arising from ordinary use and reasonable wear and tear. The Customer must immediately notify the Vendor of the improper functioning of the Equipment.

11. **DAMAGE TO EQUIPMENT.** The Customer bears the full risk and responsibility for any loss, destruction or damage occurring to the Equipment however caused, including without limitation, any loss, destruction or damage arising out of any breach of this agreement by the Customer or arising from the acts or omissions, negligent or otherwise, of the Customer, or its employees, agents, contractors, customers or third parties. In the case of any loss, destruction or damage, the Vendor will repair or replace the Equipment at the Customer's expense.
12. **INSURANCE.** The Customer agrees to obtain and maintain in place all-risk property insurance on the Equipment located on the Premises to its full replacement value.
13. **LIABILITY AND INDEMNITY.** The Customer assumes and indemnifies the Vendor against all risks and liability for personal injury or death and for loss or damage to property of the Customer or others, arising from any breach of this agreement by the Customer or from the negligent acts or omissions of the Customer or its employees, agents, contractors, customers or from the acts of third parties.
14. **ACCESS.** The Vendor's employees and agents are authorized to enter the Premises or any building on the Premises where the Equipment may be found to view the state of the Equipment, to make repairs to it, to retake possession of the Equipment, and for all proper purposes in connection with the Equipment.
15. **TERMINATION.** Either party may terminate this agreement at the expiration of the initial term or any renewal term by giving not less than 7 days' prior written notice to the other party.
16. **RIGHT OF FIRST REFUSAL.** If the Customer gives notice of termination as a result of having received a bona fide offer from a third party to supply the Customer's propane requirements at a price lower than that being charged by the Vendor, the customer shall provide details to the Vendor in writing immediately. The Vendor shall have the right, if it so chooses to exercise that right, to supply the Customer's propane requirements at the price offered by the third party.
17. **EVENTS OF DEFAULT.** The Customer will be in default under this agreement and the unpaid balance of any obligation, indebtedness or liability arising under this agreement will become immediately due and payable at the Vendor's option, if any of the following events occur:
a) the Customer fails to pay any amount due or to perform any obligation under this agreement;
b) the Customer attempts to move, remove, sell, transfer, encumber, assign or sublet (except as expressly permitted by the provisions of this agreement) the Equipment or the Premises;
c) ~~the Customer purchases less than twice the capacity of the storage tank during any 12 month period in the term.~~
18. **VENDOR'S REMEDIES.** If any event of default occurs, the Vendor, at its option, may do all or any of the following:
a) terminate this agreement immediately or suspend deliveries until the default has been cured;
b) repossess the Equipment, in which case the Customer agrees to pay the Vendor's current charge for disconnection, pump out and pick-up.
19. **INTEREST.** All overdue payments will bear interest at the Vendor's then current rate of interest.
20. **EXCUSABLE DELAY.** If for any reason beyond the Vendor's control, the Vendor's supply of propane from its normal suppliers becomes inadequate to meet the vendor's obligations to all its customers and its own needs or when the Vendor has reasonable cause to believe that any one of these events may occur, the Vendor may either discontinue deliveries under this agreement or reduce the quantities to be sold under this agreement by allocating its available supply among its customers and itself in such manner as it may determine in its sole discretion.
21. **OPTION.** The Customer may purchase the Equipment at any time on 30 days' written notice to the vendor. The purchase price will be the then current market value of the Equipment as determined by the Vendor. Rental payments previously paid, to a maximum of two years rental payments, will be applied by the Vendor in partial satisfaction of the purchase price. The Vendor will provide the Customer with a bill of sale and the Customer will release the Vendor from all liability, expenses and causes of action in respect of the Equipment. Upon the closing of the agreement of purchase and sale of the Equipment, the Equipment lease portion of this agreement terminates.

The parties have signed this agreement as of the date set out above.

Signing by Customer

By:

Title

Federated Co-operatives Limited
Signing as the Agent of the Vendor