

Petaluma Butane Distributors, Inc dba DeCarli's Propane

Master Agreement for Propane Sales and Equipment Rental

DeCarli's Propane is proud to offer you a wide array of benefits, including: dedicated local employees, automatic delivery, flexible payment plans, 24/7 emergency call center, certified technician training, world-class safety.

We'll mail you everything you need; or stop in the office and speak to a representative.
For more information, please contact DeCarli's Propane at 707-762-4511, ("Customer Service Number").

DeCarli's Propane's new Terms and Conditions are set forth below. Please read this Notice and keep it in a safe place with your other important records. This Notice will modify all prior agreements and will govern your relationship with DeCarli's Propane.

PLEASE CAREFULLY READ THIS MASTER AGREEMENT (this "Agreement"), including the Current Charges. The terms and conditions of this Master Agreement constitute a contract that will be accepted by you when one of the following first occurs: (1) you request or accept delivery of propane, service, or equipment from us; or (2) you permit equipment leased from us to remain on your property for more than thirty (30) days after your receipt of this Agreement; or (3) you do not contact DeCarli's Propane in writing within thirty (30) days after your receipt of this Agreement and terminate service.

INTRODUCTION

For purposes of this Agreement, Petaluma Butane Distributors, Inc. dba DeCarli's Propane 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. All information contained on the Customer Record will be considered accurate and applicable to this Agreement until you notify us otherwise. **YOU AGREE THAT YOU WILL FOLLOW ALL OF PROPANE SAFETY AS LISTED on the "Safety Information & Important Contact Information" Sheet appended hereto. SAFETY IS PART OF THESE TERMS AND CONDITIONS.**

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"). 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.** Bulk delivery of propane ("Bulk Service" or "Gallons Customer") is the preferred method of purchasing propane. 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, terminate this Agreement and cease delivery of propane to you, adjust the daily price of the propane we deliver to you, charge you a Low Usage Fee, and/or increase your Tank Rent to reflect your low usage. The maximum charges for Tank Rent and Low Usage Fees are set forth on the Current Charges. 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. You may not sell or give or otherwise dispose of any propane for which you have not paid. When first starting service, the propane in the tank belongs to us and will be charged to you unless stated otherwise in writing by previous occupant and approved by DeCarli's Propane.

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/Metered Account. If 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. The propane in the propane tank is owned by us and is on consignment to you. We will require you to pay a deposit to us in an amount we determine. A monthly minimum charge for Meter Service is set forth on the Current Charges and is called the "Metered Gas Minimum Fee." You will be charged the "Metered Gas Minimum Fee" even if your meter reflects propane flow that would result in a charge that is less than the Metered Gas Minimum Fee. We reserve the right to change your Metered Gas Minimum Fee. For Customers who are billed based on the usage amount shown on a meter attached to the Customer's propane system, we reserve 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: (1) credited to the extent that the estimated amount exceeded the actual propane usage amount or (2) charged an additional amount to the extent that the actual amount of propane used exceeded the estimated amount. 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. A Meter Service Customer may request testing of a vapor meter. If you would like to change from meter service to bulk service, there may be fees involved. Please contact the Service & Repairs Department as shown on the "Safety Information & Important Contact Information" Sheet.

3. Cylinder Exchange Service. If 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. Fuel Purchase Price.

a. Fuel Price. We offer a daily price to our Customers based on their specific Customer information. These prices are set by us in our discretion and may vary due to a variety of factors, including

without limitation: propane commodity prices and supply points, costs of transportation and storage, geographic location of the Customer in relation to our service units and supply points, volume usage, whether the Customer owns or leases the propane tank, and whether the Customer is Secure Fill/Keep Full or Will Call. You agree to pay our current daily price for propane unless you have a different agreement in place that determines the purchase price. If you have chosen Will Call service, the daily price will be determined on the date your delivery order is accepted. If you have chosen Secure Fill/Keep Full service, the daily price will be determined on the date of the delivery. If you have Meter Service, the price will be determined in all cases at the highest price during the billing period. We reserve the right to set our daily price and to vary that pricing among its Customer types at its sole discretion. All Customers may obtain their current daily price by calling the Customer Service Number. Payment terms are set forth in Section III.

- b. **Sales Tax Exemption and Tax Exemption Certificate:** California State law exempts from sales tax the sale of liquefied petroleum gas used by a qualified person in an agricultural activity, or used in a qualified residence for a household activity. You can apply for this exemption and obtain a tax exemption certificate. You can contact us for the exemption form or download the form at <http://www.boe.ca.gov/pdf/boe230c.pdf>. Without the signed form, we are required to charge sales tax on all fuel sales. All metered customers are exempt from sales tax without completing a form.
5. **Fuel Surcharge.** This fee, which is added to each invoice for propane deliveries, helps to offset the significant expenses incurred by DeCarli's Propane in fueling its fleet of commercial motor vehicles. This fee fluctuates on a monthly basis as DeCarli's Propane's cost of fuel fluctuates.
6. **Delivery of Propane.** Whether you have chosen to have propane delivered when we schedule delivery as we estimate that propane will be required ("Secure Fill/Keep Full") or when you order it ("Will Call"), you authorize us to make delivery of propane whether or not you are present. The terms of Secure Fill/Keep Full and Will Call are described below **IF YOU RUN OUT OF PROPANE FOR ANY REASON, WE WILL NOT BE RESPONSIBLE FOR ANY CONSEQUENTIAL DAMAGES YOU MAY INCUR, INCLUDING WITHOUT LIMITATION, APPLIANCES, FROZEN PIPES OR DAMAGE TO BUILDINGS, POULTRY, OR LIVESTOCK. All sales of propane are final.**
- a. **Secure Fill/Keep Full.** If you have chosen Secure Fill/Keep Full, we will deliver propane to you according to a schedule that we establish. **YOU WILL NOT BE CONTACTED IN ADVANCE OF THE DELIVERY AND YOUR PRICE AND ANY APPLICABLE FEES AND CHARGES WILL BE DETERMINED IN ACCORD WITH SECTION I. 4, THE CURRENT CHARGES AND THE PRICE SCHEDULE** (which is fully incorporated herein by reference). 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). 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. 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 continuously occupied, your primary residence or is occupied or used by you only part of the year, the standard Secure Fill/Keep Full arrangement may not be available, in our discretion, and we may require a modified Secure Fill/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), and if we deem it appropriate, we may charge you for retesting the system.

- b. **Will Call.** If you have chosen Will Call, we will not deliver propane until you call and request delivery. You should contact us when the propane tank registers thirty percent (30%). If you call with less than thirty percent (30%) in the propane tank, we may not be able to meet your schedule. We may also impose additional delivery charges (as set forth on the Current Charges), and you may incur additional costs associated with retesting your system.
- c. **Request for a Minimum Amount.** Should you request a specific amount of propane, an amount which does not fill the propane tank, you will be charged an amount equivalent to the rate for the size of tank corresponding to that amount of delivery. You will be given a quote at the time you order the propane. Refer to the Current Charges
7. **Modifying or Cancelling Propane Deliveries.** If you want to modify or cancel your propane delivery service, notify us by writing to us at P.O. Box 377, Petaluma CA 94953-0377. Please include your phone number in the letter so we can call you as necessary in order to help carry out the cancellation or service modification.
8. **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 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.
9. **Your Safety Responsibilities.** You understand that the odor of ethyl mercaptan can fade in certain circumstances. 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 and/or Instructions and Warnings, you should contact the manufacturer or contact us at the Customer Service Number. You agree to follow all the Safety Regulations and the Instructions and Warnings. You must make all employees, tenants, or other residents aware of the Safety Regulations and the Instructions and Warnings and train any employee or resident who uses propane to use it in accordance with the Safety Regulations and the Instructions and Warnings. **YOU AGREE THAT IN THE EVENT YOU OR ANY EMPLOYEE, TENANT, OR OTHER RESIDENT DOES NOT FOLLOW THE SAFETY REGULATIONS 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.
10. **Current Charges.** We reserve the right to charge fees shown on the Current Charges attached hereto. These fees are not government-imposed and are set by us in our discretion. However, not all fees may be applicable to you depending on your service level and location. All fees can vary among locations but will not exceed the maximum charge listed below. Contact our office or call the Customer Service Number for the amount of these fees charged in your service area.

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 the 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 Information & Important Contact Information" Sheet any time you smell odorized propane or believe the Rented Equipment to be damaged.
4. **Pump-Out/Restocking Charge** - DeCarli's Propane is prohibited by law from transporting a tank when it contains a quantity of propane in excess of five percent (5%) of the tank's water capacity. This charge defrays the cost associated with pumping out a tank that contains in excess of five percent (5%), and returning the tank to DeCarli's Propane inventory. Customers can avoid this charge by continuing service with DeCarli's Propane or until the supply of propane in the tank is less than five percent (5%). Refer to Current Charges.
5. **Underground Tanks.** At this time DeCarli's Propane does not Lease underground tanks. It is the Customers' sole responsibility to follow all Applicable Laws and safety regulations with regard to the installation, usage, removal, permitting, etc. of underground propane tanks and equipment. At the time of installation and removal of the underground propane supply tank and equipment, Customer will mark or otherwise accurately identify the location of all underground systems that are not marked by the State's "Call Before You Dig" program, including, but not limited to, sprinkler lines, septic systems, leach pits and underground ponds. Customer is responsible for all costs of the excavation and removal of the underground tanks and equipment, and DeCarli's Propane is not responsible for furnishing fill, resurfacing, landscaping or restoring Customer's property to its previous condition.

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

1. **Payment Obligation.** You agree to pay us for all propane delivered into bulk tanks, all propane metered, the rental fee 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. 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.** DeCarli's Propane understands you are busy so, we offer several payment plans that make it easy to do business with us. When paying your bill, have your DeCarli's Propane account information and your credit card or debit card information available. At the time of a propane bulk delivery an invoice will be left on the propane tank or if agreed to in writing at a mutually agreeable place. This invoice is your bill and you should pay from it according to our terms.
- a. AutoPay.** Many customers place their credit card or debit card on file with us. At the time of delivery, we charge their credit card. This system assures that your payment is timely and reduces paper flow. Should you choose this option, please contact our office for the appropriate form(s).
The **AutoPay Benefits** are
1. Saves time - no more writing checks
 2. Saves money - no postage or late fees
 3. Improves credit - builds history of timely payments
- b. E-Pay** - Customers can pay their bills via email or eFAX with a credit card at no additional charge. You do not need to be enrolled in a monthly payment program to use our E-Pay service and your payments are not made automatically. Instead you control when you want to make your payment. E-Pay is available 24 hours a day, seven days a week. Contact information necessary for E-Pay is listed on the "Safety Information & Important Contact Information Sheet". You will need to provide:
1. Your name as it appears on your Customer Record
 2. The name on the Credit or Debit Card
 3. Your account number or service address
 4. Type of Credit or Debit card – we take VISA, MasterCard
 5. Credit Card Number
 6. Expiration Date – Month and Year
 7. Billing Zip Code
 8. v. number located on back of card by signature
- c. TelePay** - Pay your DeCarli's Propane bills by telephone, using a credit card or debit card. When you receive a DeCarli's Propane bill, you can call TelePay at 1-707-762-4511. TelePay is available from 8:00 am to 3:30 pm PST, Monday through Saturdays (except major holidays). Call 707-762-4511 and whoever answers the telephone will assist with your payment.
- d. 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 office at the address on the Safety Information & Important Contact Information sheet or you may pay by credit card 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.
- e. Cash On Delivery "COD".** Pay our Representative at the time propane, Equipment, etc. is delivered.

- f. **Service Deposit.** You will be required to place a deposit on account. Please refer to the Current Charges for the rates. The Service Deposit is held in our checking account and does not earn interest. The service deposit is refundable minus any outstanding bills upon termination of service. You have the choice of
1. Partial Deposit plus **AutoPay**
 2. Full Deposit is required when **AutoPay** is not available.
- g. **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.
- h. **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 Secure Fill/Keep Full status.
3. **Billing Inquiries.** If you have questions about your invoices, statements, or any other billing, you should contact us as stated on "Safety Information & Important Contact Information" Sheet. You must contact us within ten (10) days of receiving an invoice and/or statement, if you believe that any of the information is incorrect. Otherwise, you will be responsible for all amounts charged to you on the statement.
4. **Credit Check.** Customer authorizes DeCarli's to inquire into and obtain from any bank, lending institution, credit reference, whether referenced or not, any and all information relating to Customer's credit worthiness or financial condition. We reserve the right to obtain your credit information from consumer reporting agencies at any time. If we determine that we will no longer make E-Pay, TelePay, Statement Billing or Budget Billing available to you because of your credit information, or for any other reason, we will notify you that you must pay a Service Deposit or 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. 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 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 Item Fees.

- a. **Late Payment Charges.** Your payment for delivery of propane or any other Service or Product which is billed to you is due upon receipt of the invoice and/or statement, no later than ten (10) days. 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, we will charge you a late fee to the maximum allowed by law, which is currently 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 fee 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 fee to the maximum allowed by law, which is currently one and one-half percent (1.5%) for each succeeding monthly billing date on which a past-due balance remains. You agree that the late charge is liquidated damages and is not a penalty.
- b. **Returned Item “RTM”, Non-Sufficient Funds “NSF”, Payment Stopped Without Cause.** If your check, draft, money order, credit card, or debit card is returned, we will also charge the fee listed on the Current Charges or the highest amount permitted under applicable state law for the returned check.

7. **Disputed Charges.** Should you dispute the accuracy of an invoice, charge, or statement, please pay undisputed amounts and request an explanation from us. If you thereafter believe you have been billed incorrectly, send a copy of the disputed invoice and a written letter supporting your belief that the invoice is inaccurate. In addition, if the invoice has not been paid, enclose a deposit for the amount of the bill, to avoid having service turned off. It is our intention to quickly and amicably settle all disputes. We will review the basis of the disputed amount, communicate the results of its review to you and make disbursements of any deposit. You then have thirty (30) days to respond or the deposit will be applied as payment towards the disputed amount, and any remaining balance will be due in full. Subsequent bills, not in dispute, rendered prior to the settlement of the disputed bill, will be due and payable in accordance with our terms. Disputes not directly related to the accuracy of an invoice, charge or statement are excluded. Such disputes include, but are not limited to, the quality of propane service, general level of propane rates, property damage incurred during deliveries, etc.
8. **Bankruptcy.** Should you file for bankruptcy you will immediately notify us and you will become a COD account as explained in III, 2 (e) of this document.
9. **Collection Practices.** You may be subject to our collection practices, if you do not pay within fifteen (15) days of the invoice and/or statement date.

a. **Existing Customers.**

1. An employee of DeCarli's Propane will attempt to contact you by telephone. If no contact telephone number, you will be contacted by mail.
2. If no response within one (1) business day of the telephone call or three (3) days of mailing, we will make a second attempt to contact you by telephone or mail.
3. If still no response within one (1) business day of the telephone call or three (3) days of mailing, you will then be mailed a Five (5) Day notice to pay or your service will be turned-off.
4. If no response within ten (10) calendar days of the mailing of the Five (5) Day notice to pay, your service will be locked. If the Service has been locked, it will not be unlocked until your account is paid in full. Refer to Current Charges for “Lock Tank” and “Un-Lock Tank” fees.
5. If still no response within ten (10) calendar days of the tank lock, a tank pick up letter may be sent to you and the property owner should you not be the property owner. See Current Charges. In addition, a final statement with a final demand for payment will be mailed to you. If

payment or payment arrangements have not been made within thirty (30) days from first attempt to contact, collection efforts will commence.

6. You are then a “prior customer” – see below.

b. Prior Customers. Depending on Your account balance, your account will be assigned either to (1) a collection agency, (2) the collection agency and then to an attorney, or (3) our attorney for collection.

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, 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’, TENANTS’,

AGENTS', CONTRACTORS', CUSTOMERS' AND/OR ANY OTHER PERSONS' 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', TENANTS', CUSTOMERS' AND/OR ANY OTHER PERSONS' USE OF ANY EQUIPMENT PURCHASED FROM US.

2. Service, Inspection and Repair.

- a. DeCarli's Propane Installation Review.** We must perform an installation review in accordance with our policies ("DeCarli's Propane 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 DeCarli's Propane Installation Review will generally be charged to you. In the event that we discover a leak or other unsatisfactory condition during a DeCarli's Propane 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. In the event fees for a service are not listed, we will provide a written estimate for amounts in excess of \$200.00. **NO ORAL BIDS ARE BINDING.** During a DeCarli's Propane 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 safety regulations 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 approve the change and you must use us or a licensed contractor to provide this service for you.

- 3. Interruption of Service/PSI Test.** Leak ("PSI") tests are required any time there is an interruption of service meaning the flow of gas was stopped for any reason. NFPA 54 (2006), 8.2.3 states that "Immediately after the gas is turned on into a new system or into a system that has been initially restored after an interruption of service, the piping system shall be tested for leakage. If leakage is indicated, the gas supply shall be shut off until the necessary repairs have been made". Refer to Current Charges for related costs.

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. Customer agrees to provide DeCarli's Propane with safe, free and unimpeded access to the Leased Equipment, including, but not limited to, access free of trees, tree branches, brush, ice, snow, water, mud and other debris, as well as to provide a driveway that is sufficiently sturdy to withstand the weight of a filled propane truck. Customer will mark or otherwise identify the location of septic systems, leach pits and underground ponds and similar underground features as necessary to install the Leased Equipment, perform services and make deliveries. 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. Customer agrees to promptly remove obstructions and immediately surrender to DeCarli's Propane the Leased Equipment when Customer terminates Customer's relationship with DeCarli's Propane for any reason.

2. **Injury to DeCarli's Propane Employee and/or Equipment.** As part of providing our services, DeCarli's employees need to enter your property. You agree to maintain safe conditions at the property and to prevent an unreasonable risk of harm to our employees while they are on your property. Also, you agree not to cause damage to DeCarli's equipment, except as may be required in exceptional safety-related circumstances. If any damage or injury occurs to DeCarli's employees or equipment, you shall make a claim on any insurance that may cover such damage or injury.
3. **Property Damage.** Should you believe that DeCarli's has in some way damaged your property, you will notify DeCarli's in writing immediately and by telephone. We will investigate the alleged damage and report back to you within a reasonable time, based upon the nature of the alleged damage. You shall take all diligent and reasonable steps to mitigate any damages. If you have an electric gate, and if the gate and/or a DeCarli's vehicle are damaged in an incident involving both the gate and a DeCarli's vehicle, it shall be conclusively presumed that the Customer is responsible for any damages incurred. With respect to DeCarli's equipment on the property: You understand that DeCarli's necessarily requires equipment, including a vehicle(s) in order to deliver propane and provide services, and that such equipment (and vehicle(s), where applicable) must enter onto your property. You agree that you know where the equipment and vehicle(s) travel as part of the delivery process, and where they are likely to travel, and you know when DeCarli's delivers propane to your property, and as a result you acknowledge and agree you are on sufficient notice in order to take reasonable steps to prevent harm to any buildings and other property of yours that might otherwise be incurred. This specifically includes knowledge about where any propane hose may travel while on your property. You agree you have had a sufficient opportunity to take all necessary measures to protect your property from DeCarli's equipment, including hoses and vehicles. If any property of yours incurs any damage allegedly as a result of DeCarli's equipment and/or vehicle(s) on your property, you agree it shall be conclusively presumed in any dispute that any damage proximately resulted from your not having taken reasonable steps to protect your property from equipment and/or vehicles.
4. **Monitoring Your Property During Your Absence.** Customer acknowledges that if the residence for which propane service is provided pursuant to these Terms and Conditions is not occupied as a year-round residence and/or used as a vacation rental, then DeCarli's Propane cannot reliably forecast deliveries due to the unpredictable variances in usage. In such an instance, DeCarli's Propane will not be able to provide propane on a Secure Fill/Keep Full or forecasted basis. Therefore, Customer agrees that it is Customer's exclusive responsibility to monitor the propane usage and to request a delivery at least seven (7) business days in advance in order to prevent an out-of-gas situation. If said advance notice is not provided, then DeCarli's Propane will not be responsible for any damages that may result from an out-of-gas situation, including personal injuries or damage of any kind to property caused by or related in any way to the exhaustion of propane supply, including but not limited to frozen pipes or water damage. If Customer leaves the home unattended at any time during the year, Customer acknowledges that Customer must take special precautions to monitor the propane level. 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.

5. **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, other than ordinary wear and tear.
6. **Termination of Delivery 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 we, in our sole discretion, believe any part of your System may not be safe, we may, at our option, immediately suspend Service until we determine, in our sole discretion, that your System is in a safe condition. If you fail to make proper, timely payments to DeCarli's, DeCarli's may terminate Service in accordance with the procedures set forth in the collections practices section of Article III above. 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 upon our receiving notice of your death, or if you take action to go out of business. Termination of Delivery Service does not terminate any obligations of the customer herein.
7. **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 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. 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 will 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.
8. **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 will pay for all such work and for all costs associated with such work, including landscaping costs, if any. You will pay all costs we incur to enforce any of the provisions of this Agreement, including reasonable attorney's fees.
9. **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.

10. **No Class Action.** No class actions or joinder or consolidation of claims with other persons are permitted to be brought by any Customers or the Customers' successors or assigns, without the written consent of DeCarli's Propane.
11. **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."**
12. **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).
13. **Amendment.** We may amend this Agreement at any time by mailing a written notice to you. You agree that the amendment will become effective thirty (30) days after your receipt of the notice unless you contact DeCarli's Propane in writing prior to its effective date and terminate service. Industry standard practices shall apply with respect to any changes in prices.
14. **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. **Persons Responsible.** The person whose name appears on the DeCarli's bill is responsible for complying with this agreement and any other agreements that may be entered into with DeCarli's. Additionally, all persons who occupy the property that receives the propane are jointly and severally responsible for complying with all such agreements. The person(s) whose name appears on the bill agrees that he or she (or they) shall provide notice to any other persons responsible for complying with this agreement that they indeed are so responsible. If any spouse moves out of the property that receives DeCarli's propane, such spouse shall continue to be jointly and severally responsible for any DeCarli's bills, including upon divorce. You shall provide DeCarli's written notice of the names of any occupants as soon as such occupants move in, or as soon as is practicable. You also shall provide thirty (30) days' prior written notice, and also shall call the Customer Service Number, before there are any changes in occupants at the property.

- c. **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. Should you choose to leave the propane service in your name, you are solely responsible for payment.
- d. **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.

15. 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 is the entire agreement between you and DeCarli's, and this agreement shall not be superseded by any other agreement. That notwithstanding, if any provision in this agreement is inconsistent with any provision of any of the following, the provision in the other document shall prevail: Any agreed-upon payment plan, joint stipulation, settlement agreement, court order, agreement on the back of any invoice or bill to the customer, or any other agreement's provision(s) that DeCarli's determines in its sole discretion should prevail over any provision(s) in this agreement. No employee, representative, or agent of the Customer has any authority to vary the terms of this Agreement without the prior written consent of DeCarli's Propane.
- 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 the "Safety Information & Important Contact Information" Sheet.
- f. **Notice Periods.** If a specific notice period is required under the law, and that notice period relates to the customer's relationship with DeCarli's, then the operative notice period shall be the notice period for that item or matter which is required under the law, regardless of any inconsistent term herein. If the customer is aware of any difference between a notice period required under the law and a notice period set forth herein or in any other agreement or document upon which the

parties may rely, the customer shall immediately notify DeCarli's in writing and by phone. If a notice period for an issue is required under the law, and yet the law is silent as to how much notice must be provided, and no notice period is provided herein or in any other agreement or document upon which the parties may rely, then the notice period shall be a reasonable one. If any notice period is set forth herein or in any other agreement or document upon which the parties may rely and if the law does not expressly specify a different notice period, then the customer agrees the notice period specified in such document is reasonable and proper.

- g. 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.
- h. Governing Law.** This Agreement and all Service performed under this Agreement are governed by the law of the State of California, without regard to choice of law rules.

VI. Government Warnings and Laws

- 1. Proposition 65 - The Safe Drinking Water Act and Toxic Enforcement Act of 1986,** commonly referred to as Proposition 65 requires the governor to publish a list of chemicals "known to the state to cause cancer, birth defects, or reproductive harm." It also requires California businesses to warn the public quarterly of potential exposure to these chemicals which result from the products they use, make or distribute. DeCarli's Propane facilities store propane and distribute propane to wholesale and retail customers in California for various uses. Propane itself is not a listed Proposition 65 chemical. The combustion of propane appliances, such as stoves or heating systems and vehicles using propane, creates harmful chemicals. These chemicals include carbon monoxide, benzene, formaldehyde and acetaldehyde - all chemicals known to the state to cause cancer and/or birth defects. DeCarli's Propane encourages all of its customers to use propane safely. You should read and follow all use, care, and manufacturer instructions for propane appliances and equipment. Proper ventilation and frequent inspection of propane appliances and equipment are highly recommended.
- 2. SB 183- The Carbon Monoxide Poisoning Prevention Act of 2010.** Under California Law, on or before July 1, 2011, carbon monoxide detectors must be installed on all single-family units intended for human occupancy. All existing single family dwellings that contain a fossil fuel burning heater or appliance, fireplace, or an attached garage must install carbon monoxide alarms. All other existing dwellings (multi-family) shall comply by January 1, 2013. CO alarms must be either battery powered or plug-in with battery backup. CO alarms must be installed outside of sleeping areas and on every level of a dwelling, including the basement.

VII. Helpful Websites. See "Safety Information & Important Contact Information" Sheet