

# NORTHERN STAR COOPERATIVE

## Propane Contract "PREPAY"

Date: \_\_\_\_\_

Acct. # \_\_\_\_\_

Plant \_\_\_\_\_ Tank \_\_\_\_\_

### 1. DEFINITIONS

- Bridging Fee:** The additional cost of gaining access to contracted propane gallons at a terminal different from where the propane was originally contracted.
- Detention:** Additional fees charged by transportation companies for trucks that have to wait in line to load for a longer than prescribed time.
- Freight:** The cost of transportation by truck or rail from a supply terminal to the Seller's location.
- Market Price:** The price of delivery from the Seller to "Scheduled Delivery" and/or "Will Call" customers on the day of delivery, exclusive of price guarantee agreements.
- Scheduled Delivery:** A program in which the Sellers determine when a tank needs to be filled based on Heating Degree Days. Sometimes called "Automatic Delivery".
- Will Call Delivery:** When the Buyer determines when his/her tank needs to be filled and places an order.

2. **PURCHASE AND SALE** Seller has agreed to sell and deliver, and Buyer has agreed to purchase and receive, propane in the quantity and at the price specified below during the period September 1, 2016 through April 30, 2017 with the understanding that after September 1st, the contracted gallons **must** be used before Buyer can purchase propane at the day's market price. If there are contract gallons remaining after April 30th, the value of the gallons will convert to a credit on the buyer's regular account. Credits may be used for future purchases at current market price or refunded to the Buyer. Buyers will only be allowed to purchase gallons equal to their proven consumption from previous years or an amount determined by the Buyer and Seller in the case of no previous history. **CONTRACT MUST BE AT LEAST 400 GALLONS.**

QUANTITY	PRICE/GALLON	DOLLAR AMOUNT
_____	_____	\$ _____

3. **PAYMENT TERMS** Buyer agrees to pay the total Dollar Amount as specified above upon execution of this Agreement. Buyer shall be responsible to pay all applicable taxes upon receipt of an invoice for delivered propane.
4. **TERM OF AGREEMENT** The term of this Agreement shall commence on the date hereof, and shall continue until such time as Buyer has taken delivery of, and paid for, the Quantity of propane specified in Section 1, above.
5. **DELIVERY OF PROPANE AND RISK OF LOSS** Title to the propane shall pass to Buyer upon delivery of the propane at Buyer's storage location. Thereafter, the care, handling, and use of propane shall be at the sole risk and expense of Buyer. Buyer specifically agrees that the Northern Star Cooperative may deliver the propane covered by this agreement at their convenience. However, this agreement, in and of itself does not constitute enrollment in our Scheduled Delivery Program.
6. **ACCESSABILITY** Buyer agrees to maintain driveway and turnaround area to insure that safe and efficient deliveries of propane can occur. Buyer also agrees to maintain a reasonably clear path to the propane tank.
7. **WARRANTIES AND LIMITATIONS OF LIABILITY** The Northern Star Cooperative warrants that propane sold under this Agreement meets specifications of Gas Processors Association at the time of a delivery. In no event will the Northern Star Cooperative be liable for special, consequential, or incidental damages.
8. **NO WAIVER** No express or implied consent to or waiver of any breach or a default under this Agreement by either party shall constitute a consent to or waiver of any other breach or default in the performance of the same, or any other, obligation under this Agreement.
9. **ENTIRE AGREEMENT** This Agreement constitutes the entire Agreement between the parties, and there are no oral promises, representations, or warranties; no alteration or amendment of this Agreement will be effective unless it is in writing and signed by the Northern Star Cooperative and the Buyer.

- 10. **ASSIGNMENT** This agreement may not be assigned by Buyer unless written consent to do so is granted by Seller.
- 11. **SEVERABILITY** In the event that any provision of this Agreement is held to be invalid or unenforceable under applicable law, that holding shall not effect the validity, or enforceability, of remaining provisions of this Agreement.
- 12. **GOVERNING LAW** This Agreement shall be construed, and enforced in accordance with the laws of the State of Minnesota.
- 13. **FORCE MAJEURE** “Force Majeure” means events , whether foreseeable or unforeseeable, and beyond the reasonable control of a Party, hereto and which, by the exercise of due diligence, could not have been prevented or overcome by that Party, and shall include without limitation:

**13.1 Force Majeure Events:**

- 13.1.1 lighting, earthquakes, fires, storms, floods, landslides, washouts, perils of the sea, and other Acts of God.
- 13.1.2 strikes, lockouts, picketing, differences with workers, and other industrial disturbances.
- 13.1.3 acts of public enemies, acts of terrorism, sabotage, arrests and restraints, war, riots, insurrections, blockades, interferences of civil and military authority, or other civil disturbances.
- 13.1.4 government, regulatory, administrative, or judicial actions, restraints, decisions, and orders or changes in Laws and Regulations.
- 13.1.5 non-performance, interruption, shutdowns, curtailment, breakage or accident to machinery or lines of pipe or process units, breakdown of transportation facilities, pipeline rupture, stoppage or pro-rationing of transportation service by third party transporters regardless of whether such transporter is claiming an event of Force Majeure under the applicable transportation agreement; this non-exclusive list shall include annual plant shutdowns.
- 13.1.6 fires, explosions, obstructions of , freezing, breakage of or accidents to Product production, gathering, or processing facilities.
- 13.1.7 unavailability of the Product at Seller’s normal source of supply for the Product, or delays in delivery of Product Beyond the reasonable control of the Seller.

14. **BUY OUT** If Buyer would request to terminate this contract at any time before the expiration date, a Buy Out fee equal to the difference between “rack price” and “contract price” plus \$.25 cents-per-gallon would be due on the unused portion of the remaining contract.(except in a case of the sale of the Buyer’s residence).

\*THIS INSTRUMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE PARTIES UNLESS AND UNTIL IT HAS BECOME FULLY EXECUTED BY BOTH PARTIES.\*

Seller: Northern Star Cooperative

Buyer: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Address: PO Box 458

Address: \_\_\_\_\_

Deer River, Mn. 56636

\_\_\_\_\_