

Federated Co-ops, Inc. - Terms and Conditions **For Propane Pre-Buy and Price Protection Propane Contracts**

- Once your contract and payment is received, deliveries can be made; and the contract will end on April 15, 2017 or when the number of contracted gallons is delivered, whichever is first.
- This is a fixed price contract and the price per gallon will not change with the markets should they increase or decrease.
- All deliveries must meet our minimum delivery requirements: 100, 250 and 325 gallon tanks – must be filled. 500 gallons tanks must be filled or a minimum order of 275 gallons. 1000 gallon tanks must be filled or a minimum order of 500 gallons.
- If contracted gallons do not cover a minimum delivery as outlined above, a minimum delivery is still required. The balance of that delivery will be billed at the prevailing market prices.
- Cancellation of a contract may result in a \$75.00 cancellation fee.
- In the event of a propane supply shortage, supply interruption or delays in transportation that prohibits Federated Co-ops from being able to attain its required supply of propane from its traditional supply points and terminals, Federated reserves the right to add a freight surcharge and/or a demurrage surcharge to the delivered price of this product.
- In the event of a propane supply shortage, supply interruption or delays in transportation, Federated Co-ops reserves the right to allocate delivery amounts to all its patrons. Should this situation occur, Federated will allocate delivery amounts to all patrons on a fair and commercially responsible manner. Purchasing a Pre-Buy contract or PPC contract does not exclude a patron from this allocation program. All patrons may be subject to allocation.
- Federated Co-ops, Inc. shall not be liable for damages of any kind or for consequences thereof resulting from delay or inability to deliver if such delay or inability to deliver is caused by conditions beyond its control including but not limited to acts of God, government restrictions, wars, insurrections, labor disputes, fire, theft, shortage, delays of carriers or manufactures, or unavailability of propane supply. Federated Co-ops is not obligated to purchase alternate replacement product to supply the contract holder.
- Purchasing Pre-Buy or a PPC will not transfer your account to our Scheduled Delivery Program if you are not currently on that program.
- Your account must be in good standing according to the credit terms of your account to be eligible for and/or remain on either program.

Terms Specific to Pre-Buy contracts:

- After this contract expires the contracted price becomes void. Any remaining credit amounts can be returned to you or remain on your account as a credit.
- Federated Co-ops does not offer installment payment plans for propane Pre-Buy.
- Propane delivered in excess of Pre-Buy gallons will be invoiced at regular market prices at the time of delivery.
- Annual Tank Rent will be deducted from your Pre-Buy balance in the contract year during the month of January.
- Any applicable taxes need to be paid separately. They will not automatically be deducted from your Pre-Buy contract.

Terms Specific to Price Protection contracts (PPC):

- Origination fees are non-refundable.
- Maximum gallons delivered under the PPC are 1000 gallons.
- Propane delivered in excess of 1000 gallons will be invoiced at regular market prices at the time of delivery.
- This is a fixed price contract; your price will be locked in at this price for up to the first 1000 gallons of propane purchased regardless of other offers or regular market price fluctuations.