FEDERATED CO-OPS Inc.

2015-2016 Option #1: Propane Pre-Buy Contract

COLD IS IN THE FORECAST… PREPARE NOW

Customer Account Number: _____

Customer Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Customer Phone: _____

Your Propane Pre-Buy gallons are now available for purchase!

If you would like to contract propane gallons for the upcoming heating season, simply fill in the number of gallons that you would like to contract, multiply the number of gallons against the price per gallon based on your payment method, write the total in the amount due, sign the form and return it to our office with your payment in full by the expiration date listed at the bottom of this letter.

If you have a credit on your account that you would like to apply to this contract, please enter that amount on the form and deduct it from your total remittance amount. **There is no automatic roll-over of any credits on your account, you must sign a new contract each year.**

Call your local Federated Office for the price per gallon and If you have any questions about this contracting process.

2015-2016 HEATING SEASON PRE-BUY CONTRACT

Choose your payment type:

Office Use:

☐ **Cash, Check or Money Order:**

Number of Gallons Requested: _____ X = $_____
(200 Gallon Minimum per Contract)

Minus Credit on Account - $_____

Amount Due = $_____ Check # _____

☐ **Credit Card:**

Number of Gallons Requested: _____ X = $_____
(200 Gallon Minimum per Contract)

Minus Credit on Account - $_____

Amount Due = $_____

Circle the type of credit card you are using: **VISA** **MASTERCARD** **DISCOVER**

Credit Card Number: ____ ___ ___ ___ - ___ ___ ___ ___ - ___ ___ ___ ___ - ___ ___ ___ ___

Expiration Date: _____ _____/_____ ____ V-Code: _____ (Last 3 digits on back of card in signature box)

By signing this form I understand that I am entering into a contract with Federated Co-ops, Inc. for the number of gallons listed above. I understand that I will be required to abide by the terms of the "**Propane Pre-Buy Contract"** as outlined on the *Terms and Conditions* sheet included below which has been retained by me. I recognize and understand that this is a fixed price contract and that the price per gallon will not change with the markets should they increase or decrease. I understand that I must take delivery of these gallons by April 15, 2016.

_____ Customer's Signature

_____ Today's Date

CONTRACT MUST BE POSTMARKED BY SEPTEMBER 23, 2015 TO BE VALID

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

- The base price listed on the contract is guaranteed, with exceptions noted below (additional fees), for the gallons purchased under the contract.
- Contracts received after the promotion has ended will not be honored.
- Once your contract and payment are received deliveries can begin and will end on April 15, 2016 or when the number of contracted gallons are delivered, whichever is first.
- No gallons will be delivered at the contract price after April 15, 2016.
- 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.
- Applicable taxes will be billed and due within 30-days from the date of delivery.
- Cancellation of a contract may result in a $75.00 cancellation fee.
- Additional Fees: 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 listed below, Federated reserves the right to add a freight surcharge and/or a demurrage surcharge to the delivered price of this product. The freight surcharge will be the difference in freight from its traditional supply point and any other supply point or terminal that Federated transporters must use in order to attain propane. This surcharge may vary from day to day depending on propane availability but will not exceed 90 cents per gallon. Demurrage is a transportation related charge added when transporters have to wait at any terminals or supply points due to product unavailability, shortages or for time waiting due to long lines at these supply points. This demurrage fee will be passed on to our patrons at a rate not to exceed $15.00 per delivery and it will only be applied to deliveries in months that Federated is charged demurrage by its transporters. These fees will be charged to all patrons equally in a shortage situation. Purchase of a Pre-Buy or PPC contract does not exclude a patron from the possibility of these additional fees. The charging of these additional fees will be at the sole discretion of Federated Co-ops.
- Traditional Supply points and Terminals: Pine Bend MN, Rosemount MN, Rockville MN, Cambridge MN, Superior WI.
- 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.
- Tank rent and applicable taxes will not automatically be taken out of your Pre-Buy Contract.

Terms Specific to Pre-Buy contracts:

- The minimum Pre-Buy contract is 200 gallons.
- 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.

Terms Specific to the Price Protection Plan (PPC):

- Origination fees are non-refundable.
- Maximum gallons delivered per each PPC is 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.