

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 must 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.

**6. 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 must pay for all such work and for all costs associated with such work, including landscaping costs, if any. You must pay all costs we incur to enforce any of the provisions of this Agreement, including reasonable attorney’s fees.

**7. 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.

**8. Arbitration.**

**a. Agreement to Arbitrate.** You agree that any claim, dispute, or controversy, whether in contract, tort (intentional or otherwise), including without limitation, product liability, property damage, personal injury claims, or claims based on strict liability, whether pre-existing, present, or future, and including constitutional, statutory, common law, regulatory, and equitable claims in any way relating to (a) the Service; (b) any Rented Equipment or equipment sold to you by us; (c) the Agreement; (d) Propane delivered or sold by us; or (e) the Safety Plan, advertisements, promotions, or other brochures or writings prepared by us in any way relating to the Service or this Agreement and/or the relationship between you and us, including the validity, enforceability, or scope of this Section or any part thereof (collectively, a “Claim”) shall be resolved, upon the election of either you or us, by binding arbitration.

**b. Process for Arbitration.** Arbitration will be governed by this Section V.8 and your choice of the applicable rules of either the American Arbitration Association, JAMS/Endispute, or the National Arbitration Forum in effect at the time the Claim is filed. The party initiating the arbitration proceeding shall have the right to select one (1) of the above arbitration administrators. The Claim shall be heard by a panel of three (3) independent arbitrators. Each party shall appoint one (1) arbitrator within sixty (60) days of the initiation of the arbitration proceeding, and the third impartial arbitrator must be an attorney with more than ten (10) years experience or a judge or retired judge and be appointed by the other arbitrators within thirty (30) days after appointment of the arbitrators appointed by the parties. The arbitration shall take place in the county in which Service is provided to you. For claims of \$5,000 or less, you will have the option of choosing whether the arbitration proceeds in person, by phone, or based only on submissions to the arbitrators. The arbitrators may award any form of individual relief – including injunctive relief – as permitted by applicable state or federal law. In the event of a conflict between this Section V.8 and the rules of the arbitration administrator, this Section V.8 will govern. This Section V.8 shall not apply to Claims by us for payment of amounts due for Propane purchases or equipment rental, including all applicable fees, late payment charges, returned check charges, and collection costs.

**c. No Class Action. NO CLASS ACTIONS OR JOINDER OR CONSOLIDATION OF CLAIMS WITH OTHER PERSONS ARE PERMITTED IN THE ARBITRATION WITHOUT THE CONSENT OF BOTH YOU AND US.** The arbitration administrators selected pursuant to Section V.8.b above are authorized to arbitrate disputes as to any Claim brought by you against us or by us against you and, without our consent, are not authorized to arbitrate any similar or identical claims brought by other persons.

**d. Payment of Fees.** We agree to pay the arbitration filing fee for non-frivolous claims. If you must pay any additional fees to the arbitration administrator, we will consider a request to pay all or part of the additional fees; however, we shall not be obligated to pay the additional fees unless the arbitrators grant you an award. If the arbitrators grant an award in your favor, you will not be required to reimburse us for any fees we have previously paid to the arbitration administrator or for which we are responsible.

**e. Minimum Recovery.** In the event you receive an arbitration award greater than our last written settlement offer, if any, to you, then we will pay you the greater of the arbitration award or \$1,000, plus your reasonable attorneys’ fees.

**f. General Statements.** This arbitration agreement is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16 (the “FAA”). The arbitrators shall apply substantive law consistent with the FAA and the arbitrators’ award shall not be subject to appeal, except as permitted by the FAA. Nothing in this Section shall be construed to prevent our use of offset or other contractual rights to pay off any amounts you owe to us. **YOU ACKNOWLEDGE THAT YOU HAVE A RIGHT TO LITIGATE CLAIMS IN COURT BEFORE A JUDGE OR JURY, BUT YOU PREFER TO RESOLVE ANY SUCH CLAIMS THROUGH ARBITRATION AND KNOWINGLY AND VOLUNTARILY WAIVE YOUR RIGHTS TO LITIGATE SUCH CLAIMS IN COURT BEFORE A JUDGE OR A JURY, UPON ELECTION OF ARBITRATION BY YOU OR BY US. YOU WILL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS OF CLAIMANTS PERTAINING TO ANY CLAIM SUBJECT TO ARBITRATION, EVEN IF SUCH CLASS ACTION IS PENDING ON THE EFFECTIVE DATE OF THIS ARBITRATION PROVISION, EXCEPT THAT THIS ARBITRATION PROVISION WILL NOT PRECLUDE YOUR PARTICIPATION IN A CLASS WHICH HAS ALREADY BEEN CERTIFIED ON THE EFFECTIVE DATE OF THIS ARBITRATION PROVISION. THIS SECTION 8 DOES NOT APPLY TO ARKANSAS RESIDENTIAL CUSTOMERS.**

**9. 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.”**

**10. 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).**

**11. Amendment.** We may amend this Agreement – including the Current Charges List – 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 Ferrellgas in writing prior to its effective date and terminate service.

**12. 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. 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.

**c. 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.

**13. 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 Agreement, together with the Service Letter and Safety Plan and any written agreements signed between us that are limited to pricing and cover the current period, constitute the entire agreement between us. No Employee, representative, or agent has any authority to vary the terms of this Agreement.

**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 your Service Letter.

**f. 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.

**g. Governing Law.** This Agreement and all Service performed under this Agreement are governed by the law of the State of Missouri, without regard to choice of law rules, except that the arbitration provisions in Section V.8 are governed by the FAA.

# CUSTOMER AGREEMENT FOR PROPANE SALES & EQUIPMENT RENTAL



**PLEASE CAREFULLY READ THIS CUSTOMER AGREEMENT FOR PROPANE SALES AND EQUIPMENT RENTAL (this “Agreement” or which may sometimes be referred as the “Master Agreement” in other documents sent to you by us), including the Current Charges List on pages 8 and 9. The terms and conditions of this Customer 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 Ferrellgas in writing within thirty (30) days after your receipt of this Agreement and terminate service. The terms of this Agreement also will apply to sales of refined fuel products.**

**INTRODUCTION**

For purposes of this Agreement, Ferrellgas, L.P. 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. You have received from us a letter enclosing this Agreement and describing the services you have requested or are receiving from us (the “Service Letter”), and certain other information. You should review the Service Letter carefully and notify us immediately at the telephone number printed at the bottom of the Service Letter (the “Customer Service Number”) if any information contained on it is incorrect. All information contained on the Service Letter will be considered accurate and applicable to this Agreement until you notify us otherwise or we send you a new Service Letter. The current list of fees and charges (the “Current Charges List”) as specified in Section I of this Agreement are subject to change upon thirty (30) days’ prior notice to you. **THE FERRELLGAS PROPANE SAFETY PLAN (THE “SAFETY PLAN”) IS INCLUDED WITH THIS AGREEMENT AND IS A PART OF THIS AGREEMENT. YOU AGREE THAT YOU MUST FOLLOW ALL OF THE INSTRUCTIONS IN THE SAFETY PLAN. THE SERVICE LETTER AND THE SAFETY PLAN ARE PART OF THESE TERMS AND CONDITIONS. IF YOU DO NOT HAVE THE SERVICE LETTER OR THE SAFETY PLAN, YOU SHOULD CALL THE CUSTOMER SERVICE NUMBER AND REQUEST ANOTHER COPY.**

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”), which will be specified on the Service Letter. 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.** If the Service Letter does not specify otherwise, you are obtaining bulk delivery of Propane (“Bulk Service”), and 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, either 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 List. 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.

**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.** If the Service Letter indicates that 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. We will require you to pay a deposit to us in an amount we determine from time to time. A monthly minimum charge for Meter Service is set forth on the Current Charges List, and is called the “Meter Gas Minimum Fee.” You will be charged the Meter Gas Minimum Fee even if your meter reflects Propane flow that would result in a charge that is less than the Meter Gas Minimum Fee. We reserve the right to change your Meter Gas Minimum Fee upon thirty (30) days’ prior written notice to you. In order to determine the amount of Propane flowing through your meter, we will, at our option, either read the meter on a periodic basis or send to you a card on which to record the reading on the meter. If you fill out the card incorrectly or fail to return the card within five (5) business days, we will estimate the amount of Propane used. 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.

**3. Cylinder Exchange Service.** If the Service Letter indicates that 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. Purchase 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 Auto Fill 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 Auto Fill service, the daily price will be determined on the date of the delivery. If you have Meter Service, the daily price will be determined in all cases at the time the Propane flows through your meter. Ferrellgas reserves the right to set its daily price and to vary that pricing among its Customer types at its sole discretion. All Ferrellgas Customers may obtain their current daily price by calling their local Service Center. Payment terms are set forth in Section III.

**5. Delivery of Propane.** The Service Letter indicates whether you have chosen to have Propane delivered when you order it (“Will Call”) or to have us schedule delivery when we estimate that Propane will be required (“Auto Fill”). If your Property is not continuously occupied, but you have requested an Auto Fill arrangement, we may require a modified Auto Fill arrangement. The terms of Will Call and Auto Fill are described below. We will deliver Propane according to a schedule that we establish. 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 List). You authorize us to make delivery of Propane whether or not you are present. **IF YOU RUN OUT OF PROPANE FOR ANY REASON, WE WILL NOT BE RESPONSIBLE FOR ANY CONSEQUENTIAL DAMAGES YOU MAY INCUR, INCLUDING WITHOUT LIMITATION, FROZEN PIPES OR DAMAGE TO BUILDINGS, POULTRY, OR LIVESTOCK.** All sales of Propane are final.

**a. Will Call.** If you have chosen Will Call, we will not deliver Propane until you call and request delivery. You should call not less than seven (7) business days prior to the date you anticipate needing Propane. If you call with less than seven (7) business days notice, we may not be able to meet your schedule. We may also impose additional delivery charges (as set forth on the Current Charges List), and you may incur additional costs associated with retesting your System. We suggest that you call us when your Tank reaches thirty percent (30%) capacity.

**b. Auto Fill.** If you have chosen Auto Fill, we will deliver Propane to you from time to time on our schedule when we believe that delivery is appropriate. **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 PARAGRAPH 4 OF SECTION 1 AND THE CURRENT CHARGES LIST.** 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



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