

PAYNE PROPANE

a division of Payne Oil Company, Inc.

PO Box 3277

Burlington, NC 27215

336-578-0404

800-332-7296

fax 336-578-5787

payneoil.com

THIS IS A TWO-SIDED FORM

Customer Equipment Agreement

Account Number	Name
Billing Address	
Installation Address	
Tank Capacity	Serial Number(s)
Other Information	

Customer Signature: _____ Date: _____

Terms & Conditions

Installation

1. Payne Oil Company ("Company") agrees to install and maintain propane storage tank(s), associated fittings and necessary metering and regulating equipment (the "Equipment") and associated fittings at the installation address indicated on the reverse (the "Premises"). The Company reserves the right to substitute a tank or cylinder of different size and capacity if the undersigned's ("Customer") propane usage changes or to remove the Equipment during periods of low or non-usage. If the Customer either sells or rents the Premises, Customer will notify the Company in advance of the sale and will notify the buyer or renter that the Equipment is owned by the Company. Once installed, all underground lines are owned by Customer who is responsible for all maintenance and compliance with all applicable laws, codes and regulations.

Equipment Rental, Ownership and Installation

2. The Company retains ownership of the Equipment which will remain personal property and will not become a fixture or a part of the Premises regardless of the manner in which it may be affixed or installed.
3. The Customer will use only storage, regulating, associated fittings and metering equipment furnished by the Company in connection with the propane gas and the Equipment. The Customer will not remove or tamper with any of the Equipment.
4. When installing the Equipment, the Company will perform ordinary and reasonable safety checks of the Equipment and all exposed piping, fixtures and other items connected to the Equipment. The Company will not connect the Equipment until it is satisfied that no defects which are reasonably discoverable exist in the inspected items. The Company will not be liable for the damages caused by defects which are not reasonably discoverable when the installation inspection is performed, or which arise after the inspection is performed.
5. The Company will have an irrevocable right to ingress or egress over the Premises for the installation, maintenance, inspection, servicing or removal of the Equipment. The Company may without prior notice enter the Premises to deliver propane, to install, repair or service the Equipment, or to perform any other services that it deems necessary under this Agreement; or with reasonable prior notice, to remove the Equipment. Customer agrees to provide the Company with safe and unimpeded access to the Equipment free of ice, snow, water, mud, debris or other hazards. Customer acknowledges that failure to ensure safe and unimpeded access to the Equipment may cause an interruption in service. The Customer agrees that the Company shall have no obligation to contact Customer to request access to the Equipment, but instead may suspend service until customer has provided access as required by this Agreement. Customer agrees to promptly surrender the Equipment to the Company when this Agreement is terminated, regardless of the reason for termination.
6. The Customer is responsible and will pay the Company for any loss or damage to the Equipment while located on the Premises except for the loss or damage caused by normal wear and tear.

Propane Supply and Payment

7. The Customer agrees to purchase from the Company all their requirements of propane for the duration of this Agreement and to use the Equipment only for storage of propane purchased from the Company.

Termination of Agreement

8. The Customer may terminate this Agreement at any time upon no less than ten days notice in writing.
9. The Customer will be responsible for any removal charges associated with the removal of the propane tank(s). Customer will be responsible for any necessary excavation and landscaping associated with the removal of any of the Equipment, including tanks.
10. The Company may terminate this Agreement at any time for any of the following reasons: (a) Late payment of an account due to the Company; (b) Any tampering with the Equipment; (c) Customer's breach of any of the obligations under this Agreement or any other Agreement with the Company; (d) Notice to the Company that the Premises, if owned by the Customer, will be sold or, if leased to the Customer, will be vacated; or (e) Other just cause. No notice shall be required to terminate this Agreement for the reasons specified in subparagraphs (a), (b), and (c) above and the Company shall be entitled in such cases to remove the Equipment immediately. In all other cases, termination shall be effective upon ten (10) days written notice, delivered or mailed to the Customer's last known address.
11. Upon termination of this Agreement by the Company, the Customer agrees to promptly pay (a) all outstanding installation, propane gas, rental and late charges; and (b) all charges and costs incurred by the Company, including attorney fees and court costs, incurred by it to collect the amount owed by the Customer or to otherwise enforce this Agreement.

Further Conditions of Agreement

12. The Company shall have the right to file this agreement or such other document it deems appropriate in the Registry of Deeds in the County in which the Premises are located for the purpose of notifying prospective purchasers of the Premises of the existence of this Agreement, memorializing its ownership of the Equipment, and the right of the Company to enter the Premises as provided in this Agreement. The Customer agrees to enter into an easement agreement for the benefit of the Company as to the Premises upon the Company's request.
13. Limitation of Liability. Except as specifically provided in this Agreement, the Customer agrees that the Company will not be liable for any damages, including damage to plumbing, septic systems, bridges, driveways or landscaping at the Premises. This limitation applies whether a remedy is sought under contract, tort or product liability law. Customer's exclusive remedy for any loss sustained as a result of an interruption in service where the Customer's account provides for automatic deliveries is limited to actual damages of not more than \$10,000 for any loss or property damage. Customer agrees that the Company shall have no liability for damages of any type due to the loss of or injury to any of the Customer's animals or livestock escaping the Premises. Customer further agrees that the Company shall have no liability for damages of any type for an interruption in gas service caused by the Customer's increased propane usage; replacement or addition of propane-powered appliances without prior notice to the Company; or the Customer's failure to provide continuous access to the Equipment.
14. Customer agrees that the Company will not be responsible for damages of any type caused by the events or circumstances beyond its reasonable control, including with limitation, acts of God, fire, storms, floods, labor disputes, wars, hostilities, terrorism, compliance with law or regulations, the Company's inability to obtain propane from its customary suppliers, terminal, refinery or pipeline disruptions, allocation programs or lack of adequate transportation facilities.
15. Survival. Paragraphs 2, 5, 7 and 13 shall survive termination of this Agreement.