



**COMMERCIAL  
PROPANE EQUIPMENT  
LEASE AGREEMENT  
CHS Inc.**



(253) 833-7220 • (206) 622-5766 • 1-800-562-2667

CHS agrees to lease to the undersigned, (hereinafter referred to as "Customer") the Gas System described in Paragraph A below, and said Customer agrees to lease said Gas System from CHS, all upon the terms and conditions set forth below and printed on the reverse side hereof.

A. The Gas System which is the subject of this Agreement is described as follows:

TANK Model \_\_\_\_\_ Size \_\_\_\_\_ Gallons  
Serial No. \_\_\_\_\_  
Regulator Model No. \_\_\_\_\_ Concrete Base \_\_\_\_\_

DISPENSER: Model \_\_\_\_\_ Serial No. \_\_\_\_\_

B. Customer agrees to pay CHS the annual rental based on a calendar year, January through December in the amount of \$ \_\_\_\_\_ (+ tax) for said Gas System prior to January 25 of each year during the term of this Agreement; provided, however, that the first year's rental for said Gas System shall be pro-rated by the number of months remaining in said year at the commencement of the term hereof and shall be in the amount of \$ \_\_\_\_\_ and shall be paid by Customer to CHS upon installation of said Gas System.

C. Customer agrees to pay CHS for all products delivered to said Gas System at the current established price.

D. Removal of said Gas System at Customer's request must be in accordance with Paragraph "M" Section "2". If there is more than 5% gas in system at the time of removal there will be a fee assessed against the Customer in accordance with the terms following.  
(1) A Pump-out/pick-up fee of \$45.00, plus \$45.00 per hour after the first hour.  
(2) The gas pumped out will be credited back to the Customer at 70% of last purchase invoice price.

E. Only CHS products may be used in said Gas System. The Customer will agree to maintain access to the propane tank in order to fill it, service it, or remove it. The driver, for safety reasons, must be able to see the propane tank when being filled. It will be at Customer expense if CHS has to rent special equipment to remove said propane tank. The Customer will agree to pay the going rate for the rental equipment being used, for removal of said propane tank. If CHS cannot get access to remove the propane tank, because of buildings, fences, trees, etc. , the Customer will agree to purchase said propane tank at the price established in paragraph F.

F. It is mutually agreed between the parties hereto that the value of said Gas System described in Paragraph A is \$ \_\_\_\_\_ plus tax. Customer agrees to pay said amount to CHS in the event that said Gas System is lost, stolen, or destroyed while in Customer's custody or control.

The terms and conditions contained in paragraphs G-M printed on the reverse side hereof are part of this Agreement.

READ, CONSIDERED AND SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

CUSTOMER \_\_\_\_\_  
(PLEASE PRINT)  
Phone # \_\_\_\_\_

MAILING ADDRESS	
Route, Box, Street	
City	Zip
INSTALLATION ADDRESS	
Street Address	
City	Zip

\_\_\_\_\_  
Signature  
Branch Served By \_\_\_\_\_  
Account # \_\_\_\_\_

APPROVED AND EXECUTED at \_\_\_\_\_  
this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

CHS Inc.  
238 - 8th S.E.  
Auburn, WA 98002

**WEBDOC**

By \_\_\_\_\_

## COMMERCIAL TERMS AND CONDITIONS

- G. This agreement shall be binding on both parties, their heirs and assigns; provided, however, that no assignment of this Agreement shall be binding upon CHS without first obtaining written consent of CHS. There are no oral or other agreements which alter or otherwise modify the terms of this Agreement as herein expressed. No representative or agent of CHS has any authority, right or power to waive, change, add to or modify any of the terms or conditions specified herein except by a writing duly executed by an Officer of CHS.
- H. Title to said Gas System shall remain in CHS and the same shall not be deemed to have become a part of the Customer's realty, regardless of the mode of attachment thereto. CHS shall have the right at any reasonable time, to enter upon Customer's property in connection with the installation, maintenance, service, or removal of said Gas System.
- I. Customer agrees to maintain said Gas System in good condition and repair at his expense and to pay all taxes and assessments of every kind and character which may be levied against said Gas System during the term of this Agreement before the same shall become delinquent. If said taxes and assessments are not so paid by Customer, CHS may pay the same and charge the amount so paid to Customer's account.
- J. In the event Customer's account becomes delinquent due to unpaid propane deliveries, said leased tank could be scheduled for disconnection and/or removal.
- K. Customer agrees that all of its employees, representatives and agents shall comply, at all times, with all safety and environmental laws, ordinances, rules, and regulations established by any federal, state and local authority with jurisdiction over such matters including, but not limited to, all the standards that have been established by the National Fire Protection Association ("NFPA") (e.g. NFPA #54 and NFPA #58), as such standards are adopted by applicable state legislatures from time to time (the "Laws").
- L. Customer agrees that it shall defend, indemnify, and hold harmless CHS, and all of its affiliates, and all of their respective directors, officers, agents, employees and insurers, from and against any and all claims, demands, damages, losses, liabilities, causes of action, judgments, fines, costs and expenses of any kind or nature, including all attorneys' fees and all costs and expenses of litigation and court costs (including attorneys' fees and costs and expenses of litigation and court costs incurred in enforcing this provision), without regard to amount, for damages to, or loss of, property, or injury to, or death of, any person or persons, including without limitation persons employed or engaged by Customer, caused by or arising or resulting from, whether directly or indirectly: (a) Customer's operation of its business (including, but not limited to, the use and/or handling of propane); and/or (b) Customer's breach of any of its representations, warranties, undertakings, covenants, promises and agreements as set forth in this Agreement; and/or (c) Customer's failure to comply with any and all applicable federal, state or local laws, ordinances, orders, permits, rules and regulations with regard to Customer's activities relating to the operation of its business, including, but not limited to, the Laws; and in any event, regardless of whether such damages, injuries, or deaths are caused by, or arise or result from, CHS' partial and/or joint negligence; provided, however, that Customer shall not have any indemnification obligations to CHS for damages, injuries, or deaths if such damages, injuries, or deaths are caused by, or arise or result from CHS' sole negligence.
- M. Customer agrees to maintain at all times during the term of this Agreement: (a) Workers' Compensation Insurance as prescribed by applicable laws of the state(s) with jurisdiction over each of Customer's employees; and (b) Commercial General Liability Insurance with a per-occurrence limit of not less than One Million Dollars (\$1,000,000) (or higher limits as may be required by applicable law) (which coverage can be provided through a combination of primary and umbrella policies), which policy(ies) shall identify CHS as an additional insured thereunder. As to the policies described above, Customer agrees that: (i) it will provide CHS with at least thirty (30) days' written notice prior to the effective date of cancellation or any material change of any such policy(ies); and (ii) it will instruct its insurer(s) to provide CHS with certificates of insurance evidencing coverage that is required by this Section. Customer agrees that the policy limits set forth herein are minimum limits and shall not be construed to limit Customer's liability.
- N. Except for Customer's indemnification obligations hereunder which shall remain in full force and effect, neither of the parties hereto shall be liable to the other for failure to comply with the terms hereof when the same shall be made impossible due to acts of God, fire, riot, labor disturbances, accidents, or act of any governmental authority, interruption or shortage of transportation facilities or supplies, shortage of supplies for any reason, curtailment of the Association's activities, or any other similar or dissimilar cause.
- O. This Agreement shall become effective upon its acceptance by CHS and thereupon supersedes any previous Propane Equipment Lease Agreement existing between the parties hereto. This Agreement shall remain in full force and effect unless and until terminated as follows:
- (1) If the Customer fails to comply with any of the terms hereof, CHS shall have the right upon ten (10) days notice to Customer to terminate the provisions of this Agreement and to remove said Gas System. In such event, any unpaid charges shall become immediately due and payable to CHS and Customer agrees to indemnify CHS for any costs or expenses CHS may incur in removing said Gas System.
  - (2) Either party may terminate the provisions of this Agreement upon ten days written notice addressed to the other at the address stated herein. In such event, any unpaid charges shall become due and payable to CHS and CHS may enter upon Customer's property to remove said Gas System.