



PROPANE GAS SYSTEM LEASE RENTAL AGREEMENT
AND CUSTOMER CERTIFICATION

ACCOUNT NUMBER: _____

LESSOR: CHS INC.

LESSEE/CUSTOMER: _____

P.O. BOX 618
AUBURN, WA 98071-0618

EMAIL: _____

PHONE: (_____) _____ - _____

ADDRESS: _____

CITY, STATE, ZIP: _____

1. **DESCRIPTION OF PROPERTY LEASED.** In consideration of their respective promises herein contained, and upon the terms and conditions hereinafter set forth, CHS hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from CHS, one _____ gallon tank, identified with serial number _____, manufactured by _____ (the "Tank"), regulator style _____, and dispenser model _____ with serial number _____, concrete base _____, and any other any other ancillary equipment and accessories owned by CHS (the "E/A") (the Tank and the E/A are collectively referred to hereinafter as the "Leased Property"), for use **only** at the following described address: _____, (hereinafter the "Premises"). Lessee shall not move or remove the Leased Property from the Premises without the prior written consent of CHS.

2. **TERM OF LEASE RENTAL.** The initial term of this Agreement shall commence on _____, and shall remain in effect until December 31st of the current year (January 31st of the current year for the Spokane region), provided, however, that this Agreement shall automatically renew for an additional term of one year immediately upon the expiration of the term then in effect, unless a written notice of termination shall have been sent by either party in accordance with the provisions of this section. Notwithstanding anything to the contrary in this section, this Agreement may be terminated by either party hereto at any time, for any or for no reason, with at least thirty (30) days' written notice to the other party hereto, which notice shall be delivered in person or mailed, postage prepaid, to the other party's address as shown above, or to such other address as either party shall designate by written notice to the other party hereto. All such notices shall be effective when actually delivered or on the third business day after being deposited in the mail and properly postmarked.

3. **LEASE RENTAL PAYMENTS.** Lessee shall pay to CHS, in advance, annual rent in the amount of \$ _____ per year for each calendar year during the term. If the term commences or ends in the middle of any calendar year, then the rent payable for such partial year shall be prorated.

4. **OWNERSHIP OF LEASED PROPERTY.** Lessee acknowledges and agrees that, at all times during the term of this Agreement, it shall have no ownership rights in the Leased Property, and that legal title to the Leased Property is, and shall at all times remain, vested in CHS. At no time shall the Leased Property be considered a fixture or an appurtenance to real estate to which it may be attached. Lessee specifically acknowledges and agrees that **CHS has the sole right to fill the Leased Property with propane gas**, and that Lessee shall not fill the Leased Property with any substance, nor permit any person other than CHS or CHS' authorized agents to fill the Leased Property with any substance. Notwithstanding anything to the contrary in this Agreement, the parties specifically agree that **in the event that Lessee fills, or permits any person other than CHS or CHS' authorized agents to fill, the Leased Property with any substance, CHS may terminate this Agreement immediately upon giving notice to Lessee.**

5. **NO OPTION TO PURCHASE.** Lessee specifically acknowledges that nothing in this Agreement shall grant it an option to purchase any or all of the Leased Property.

6. **INSTALLATION, MAINTENANCE AND SERVICE.** CHS agrees that it shall install the Leased Property on the Premises in a manner consistent with recognized safety standards existing at the time of installation. CHS also agrees that it shall be responsible for maintenance and service of the Leased Property, and shall undertake all repairs necessary to keep the Leased Property in safe working condition; provided, however, that CHS' responsibility for maintenance and service of the Leased Property is subject to provisions of Section 7. herein. At its sole option, CHS may from time to time substitute property of similar description for the Leased Property, or any part thereof, and the property substituted in place of the original Leased Property shall thereupon become the Leased Property.

7. **LESSEE'S OBLIGATIONS.** Lessee agrees to pay CHS for all propane gas delivered to the Leased Property at the current established price. Lessee agrees to purchase a minimum of one (1) fill per year. Lessee specifically agrees that it shall not commit any waste or damage of or to the Leased Property, nor shall Lessee deface, remove or conceal any name, mark and/or identifying device on the Leased Property, **nor shall Lessee attempt to make any repairs to the Leased Property.** Lessee agrees to notify CHS of any damage to or destruction of the Leased Property as soon as Lessee becomes aware of such damage or destruction. In the event of any damage or destruction, CHS shall make repairs or replace the Leased Property as CHS believes reasonably necessary, and Lessee specifically agrees to reimburse CHS for all expenditures of labor and materials incurred by CHS to repair or replace any damage to, or destruction of, Leased Property caused by, or arising from, Lessee's intentional and/or negligent acts, and/or failures to act, in violation of this Agreement. Lessee agrees, further, to reimburse CHS in an amount equal to the fair market value of the Leased Property if it is lost, stolen and/or destroyed to the point where repair is not commercially reasonable while the Leased Property is in Lessee's custody and/or control. Lessee acknowledges that CHS does not carry any property damage insurance coverage on the Leased Property, and that Lessee may, at Lessee's option and at its sole expense, purchase property damage insurance on the Leased Property.

8. **INDEMNIFICATION.** Lessee 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, environmental damages and/or liabilities, losses, causes of action, judgments, fines, assessments, 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) for damages to, or loss of, property, and/or injury to, or death of, any person or persons, including without limitation persons employed or engaged by Lessee, and/or damages to the environment, caused by or arising or resulting from: (a) Lessee's use and/or possession of the Leased Property; and/or (b) Lessee's breach of any of its representations, warranties, undertakings, covenants, promises and agreements as set forth in this Agreement; and/or (c) Lessee's failure to comply with any and all applicable federal, state or local laws, ordinances, orders, permits, rules and regulations with regard to Lessee's use and/or possession of the Leased Property; provided, however, that Lessee shall not have any indemnification obligations to CHS for any damages, injuries, or deaths to the extent that such damages, injuries, or deaths are caused by, or arise or result from, CHS' negligence.

9. **SURRENDER OF LEASED PROPERTY.** Upon the termination of the term of this Agreement for any reason whatsoever, Lessee agrees to immediately and peaceably surrender possession of the Leased Property to CHS; provided, however, that Lessee shall not be under any obligation to remove the Leased Property from the Premises or to deliver the Leased Property to or at the direction of CHS. CHS shall be at liberty to enter upon the Premises and remove or carry away the Leased Property and for the purpose to do all things reasonably necessary for such removal without liability for any damage caused thereby, and if at the time of such removal the Tank contains more than 5% of the propane gas sold to Lessee by CHS, Lessee shall be entitled to a credit in an amount equal to 70% of the previous purchase price paid by Lessee for such propane, minus reasonable removal/pump-out fees. If at the time of such removal the Leased Property contains any propane gas furnished by any person, firm or corporation other than CHS, CHS shall be entitled to take possession and dispose of the same without any further liability to Lessee. If Lessee fails or neglects to surrender the Leased Property to CHS on demand upon termination of this Agreement, Lessee agrees to reimburse CHS for any expenses incurred in effecting such return, including all reasonable attorney's fees.

10. **CHS' ACCESS TO PREMISES.** Lessee hereby grants to CHS access to enter onto the Premises at any time as reasonably required by CHS to: (i) install, maintain and service the Leased Property; (ii) inspect the Leased Property and the manner of its use; (iii) substitute property for the Leased Property; (iv) fill the Leased Property with propane gas; and/or (v) repossess the Leased Property without legal process upon termination of this Agreement for any reason.

11. **NON-ASSIGNMENT OF AGREEMENT.** Lessee agrees that, at all times during the term of this Agreement, it shall not assign, transfer, sublease, pledge as security or otherwise dispose of its limited interest in Leased Property as set forth in this Agreement without the prior written consent of CHS.

12. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties hereto, and it supersedes any and all prior or contemporaneous negotiations, representations, agreements or understandings, both written and oral, between the parties hereto with respect to the subject matter hereof, and neither party shall be liable to the other in any manner by any representations not set forth herein. This Agreement may not be altered, modified, or amended unless done so by a writing signed by each party hereto.

13. **SEVERABILITY.** If any term or provision set forth in this Agreement shall be determined to any extent to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each term and provision of the Agreement shall be valid and enforced to the fullest extent permitted by law.

14. **CHOICE OF LAW.** This Agreement, and all rights, obligations, and duties arising hereunder, and any disputes which may arise hereunder, shall be construed in accordance with, and governed by, laws of the State of Minnesota.

15. **CUSTOMER CERTIFICATION**

I, the undersigned Customer, acknowledge that I have received copies of the following warning brochures: (i) "Important Propane Safety Information For You and Your Family"; (ii) "Propane Safety"; and (iii) "Carbon Monoxide Safety Information". I have agreed to read and follow the safety rules in those brochures and to share the information with my family and/or employees to help keep everyone safe and to reduce the risk of serious and potentially fatal injury, fire and explosion.

I HAVE READ AND FULLY UNDERSTAND THIS CERTIFICATION.

NOTICE TO CUSTOMER: (a) You are entitled to an exact copy of the Agreement you sign; (b) Do not sign this Agreement before you read it completely, even if otherwise advised; (c) Do not sign this Agreement if it contains any blank spaces; (d) Do not sign this Agreement unless a representative of CHS has (i) explained the properties of propane gas, (ii) warned you of the dangers of propane gas, and (iii) also explained to you the operation of the System covered by this Agreement so that you understand how and why it is important to promptly shut off the System in the event of emergency; (e) Do not sign this Agreement unless you have determined that you can smell the presence of propane gas by a sniff test given by a representative of CHS. BY SIGNING THIS AGREEMENT, LESSEE REPRESENTS THAT HE/SHE HAS READ AND UNDERSTANDS THIS "NOTICE TO CUSTOMER", AND THAT HE/SHE HAS COMPLIED WITH THE PROVISIONS OF THIS "NOTICE TO CUSTOMER".

LESSEE: _____ CHS INC.
BY: _____

SIGNED DATE: _____ ITS: _____

LESSEE: _____ SIGNED DATE: _____

SIGNED DATE: _____ EFFECTIVE DATE: _____