

**Sample
Propane Supply Agreement**

Agreement entered into this day the day of March 15, 2013, by and between Paraco Gas Corporation ("Company") with its principle place of business located at 800 Westchester Ave, Rye Brook NY 10573, and The Town of Pound Ridge located 179 Westchester Ave Pound Ridge NY 10576, Job Located at.

WHEREAS, The Owner has requested Paraco Gas Corporation to supply a Propane Dispenser, The system will supply propane gas used for the Town of Pound Ridge vehicles.

NOW THEREFORE, in consideration of mutual covenants met forth below and the sum of (\$10.00) dollars and other good and valuable consideration in hand paid by each party to the other, receipt of which is hereby acknowledged, the parties agree as follows:

- 1. MAINTENANCE OF EQUIPMENT: Owner shall request standard credit application before service is to commence.**

Paraco Gas will be responsible to maintain all of the propane dispensing equipment related to the tank regulators, piping, meter and misc fittings. Paraco Gas will charge either the owner at the current retail pricing based on a time and material for any upgrades or alterations to the dispensing system or any changes to existing equipment. Paraco Gas will solely be responsible at its own cost to complete the outside system before service commences excluding electric, crash protection, fencing and concrete foundation.

- 2. PROPANE SYSTEM: The propane system as defined by this agreement includes propane dispensing station, pressure regulators with fittings, dispensing meter, and appropriate piping outside. All the above items will remain the property of Paraco Gas Incorporated.**
- 3. TERM OF AGREEMENT: The term of this agreement shall be for a period of 2 years.**
- 4. SITE PREPARATION: Owner agrees to perform all excavation, trenching and back filling for the installation of the tanks. The owner is responsible to provide the equipment and materials and make necessary provisions to dig**

- around storage tank and is responsible to restore the area around the tanks to its present condition. All such work shall be performed in a good, workman like manner and in compliance with all applicable, statutes rules and regulations.
- 5. PLANS, SPECIFICATIONS AND LICENSES:** The Owner warrants that the propane dispensing system and all plumbing and piping conform to the current regulations of New York.
 - 6. PIPING:** The Company shall supply all labor and materials necessary to distribute the propane to their vehicles from the dispensing storage tank.
 - 7. SUPPLY OF PROPANE AND PRICING:** Paraco Gas agrees to provide the Owner, and Owner agrees to purchase all of its requirements of propane for the premises during the term of Agreement and renewal term thereof. In addition thereto. Therefore, pricing per gallon delivered to the owner will be based on an adder of \$.70 cents over BPN weekly posted average at Selkirk pipeline on the date of delivery.
 - 8. LICENSE TO EQUIPMENT:** All work to be performed on the propane system must be licensed personnel in accordance with New York State Statutes. The Owner shall provide Paraco with access to the equipment and all portions of the premises for all-purpose necessary to carry out the provisions of this agreement. The Owner hereby consents to all movements by Paraco's personnel or authorized agents across, over, or through the premises being served necessary to fulfill the terms of this agreement, so as to minimize, to the extent reasonably practicable interference with the businesses of the Owner or its Tenants.
 - 9. WORK ON SYTEM:** All repairs, service, connections, and disconnections, removal, alterations of the propane dispensing system will be Paraco Gas Corporation responsibility and shall be done only by Paraco's agents or employees and not by any other person. The Owner warrant that any work done will be in accordance all standards set by the Federal Codes and State statutes concerning Propane Gas. Paraco may refuse to service any account that does not pass a pressure test or if the Owner or is not in compliance with local ordinances. Any service work performed by Paraco Gas Corporation will be billed to each individual Owner. Paraco further states that if it fails a pressure test, Paraco will immediately discontinue service until it is repaired.
 - 10. PARACO'S OBLIGATION:** Paraco shall not be liable in damages or otherwise to the Owner for any failure to perform under this agreement when performance is prevented, delayed or otherwise affected by with or in connection with any Act of God, Law, statute, rule, regulation, embargo

order, requisition or request, of any government or acting authority or agency thereof, fire, explosion, strike or other dispute, industrial disturbance, accident, war (declared and undeclared), nor shall Paraco be liable in damaged to Owner for any failure, loss or impairment of Paraco's availability or (supplies) propane herein, or (the) Paraco's facilities of production, or transportation of Paraco propane, transportations contingencies, or any caused beyond Paraco's control, provided the same is not due to Paraco's negligence, whether or not similar to the causes in this agreement.

11. OWNER USE OF SYSTEM AND INSURANCE: The

Owner agrees to use the propane system in conformity with normal standards of safety and in accordance with all laws, rules, and regulations, presently and thereafter in force and effect. Paraco shall maintain liability insurance in the minimum amount of 5 million dollars at all times.

The Owner will maintain an amount based on work completed of insurance sufficient to cover the value of being serviced by Paraco Gas Corporation.

12. INTERRUPTION OF SERVICE: Paraco may shut off supply of propane to Owner without terminating this agreement of Owner obligations under this agreement for any of the following reasons: (I) whenever Paraco's opinion any equipment at the installation is not satisfactory for the safe and efficient storage and use of propane. In the event that Paraco deems any equipment unsafe, Paraco shall use reasonable commercial efforts to repair any unsafe conditions. This only applies for outside equipment. (II) Non-payment by owner.

- a. **TAXES:** If Applicable Owner and or Tenants will pay any sales tax or any applicable taxes for gas during the term of the agreement.
- b. **ASSUMPTION OF AGREEMENT:** In the event of sale, transfer or assignment or devise of the premises by or any part thereof, Owner, as transferor shall make this assumption of this agreement a condition of such sale, transfer or devise or terminate this agreement as provided in paragraph designated "OWNER TERMINATION OF THIS AGREEMENT" herein.
- c. **OWNER TERMINATION OF THIS AGREEMENT:** The Owner may request termination with a ninety (90) day notice to Paraco upon the terms and condition set forth below.
In the event that The Owner is unhappy with the service being performed by Paraco Gas, it shall be documented to Paraco in writing to the reasons the service is not up to expectations. Paraco will have 30 days to correct any and all problems that are deemed to be its obligation.

Paraco states that its obligations is to provide timely deliveries of propane and to provide 24 hour emergency service as it related to the propane system on the outside. If there is any reason Paraco and The Owner cannot alleviate any service difficulties the parties will submit to a hearing by the American Arbitration Association who's ruling shall be binding on both parties.

13. LEASE AGREEMENT: This agreement continues the entire contract between the parties hereto and no oral agreements or representations done by the parties, their agents or employees will be valid or binding. This agreement may not be modified except by writing executed by an officer of the party modifying the agreement. No delay in any party exercising their rights under this agreement shall prevent the future exercise of that right.

14.State of New York: this agreement shall be constructed in accordance with the Governing laws of the State of New York. Any dispute hereunder shall be resolved by proceeding held in the State of New York.

15. Attorney's Fees: in the event of a breach of this agreement the non-breaching party shall entitled to recover all costs and expenses incurred as a result of the breach from the breaching party including, but not limited to reasonable attorney's fees and expenses of arbitration and/or litigation.

PARACO GAS CORPORATION

By:

By:

NAME:

Name:

TITLE:

Title: