

NORTHERN STAR COOPERATIVE

Propane Contract "PREPAY"

Date: _____

Acct. # _____

Plant _____ Tank _____

1. **PURCHASE AND SALE** Seller has agreed to sell and deliver, and Buyer has agreed to purchase and receive, propane in the quantity and at the price specified below during the period September 1, 2011 through April 30, 2012 with the understanding that after September 1st, the contracted gallons **must** be used before Buyer can purchase propane at the current days price. If there are contract gallons remaining after April 30th, the value of the gallons will convert to a credit on the buyer's regular account. Credits may be used for future purchases at current market price or refunded to the Buyer.

| QUANTITY | PRICE/GALLON | DOLLAR AMOUNT |
|----------|--------------|---------------|
| _____ | _____ | \$ _____ |

2. **PAYMENT TERMS** Buyer agrees to pay the total Dollar Amount as specified above upon execution of this Agreement. Buyer shall be responsible to pay all applicable taxes upon receipt of an invoice for delivered propane.
3. **TERM OF AGREEMENT** The term of this Agreement shall commence on the date hereof, and shall continue until such time as Buyer has taken delivery of, and paid for, the Quantity of propane specified in Section 1, above.
4. **DELIVERY OF PROPANE AND RISK OF LOSS** Title to the propane shall pass to Buyer upon delivery of the propane at Buyers storage location. Thereafter, the care, handling, and use of propane shall be at the sole risk and expense of Buyer. Buyer specifically agrees that the Northern Star Cooperative may deliver the propane covered by this agreement at their Convenience.
5. **WARRANTIES AND LIMITATIONS OF LIABILITY** The Northern Star Cooperative warrants that propane sold under this Agreement meets specifications of Gas Processors Association at the time of a delivery. In no event will the Northern Star Cooperative be liable for special, consequential, or incidental damages.
6. **NO WAIVER** No express or implied consent to or waiver of any breach or a default under this Agreement by either party shall constitute a consent to or waiver of any other breach or default in the performance of the same, or any other, obligation under this Agreement.
7. **ENTIRE AGREEMENT** This Agreement constitutes the entire Agreement between the parties, and there are no oral promises, representations, or warranties; no alteration or amendment of this Agreement will be effective unless it is in writing and signed by the Northern Star Cooperative and the Buyer.
8. **ASSIGNMENT** This agreement may not be assigned by Buyer.
9. **SEVERABILITY** In the event that any provision of this Agreement is held to be invalid or unenforceable under applicable law, that holding shall not effect the validity, or enforceability, of remaining provisions of this Agreement.
10. **GOVERNING LAW** This Agreement shall be construed, and enforced in accordance with the laws of the State of Minnesota.
11. **BUY OUT** If Buyer would request to terminate this contract at any time before the expiration date, a Buy Out fee of .50 cents per gallon would be due on the unused portion of the remaining contract.(except in a case of the selling of the Buyers residence)

THIS INSTRUMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE PARTIES UNLESS AND UNTIL IT HAS BECOME FULLY EXECUTED BY BOTH PARTIES.

Seller: Northern Star Cooperative

Buyer: _____

Signature: _____

Signature: _____

Address: PO Box 458

Address: _____

Deer River, Mn. 56636
