

CONTRACT TERMS and FAIR CREDIT BILLING ACT DISCLOSURES

TERMS AND CONDITIONS GOVERNING RETAIL SALES

Effective 07/01/2008

Applicability of Terms and Conditions: Those Terms and Conditions apply to all sales of goods and services by the Company to its retail customers (hereinafter the "Customer"). The Customer's acceptance of these Terms and Conditions shall be indicated by the Customer's verbal acceptance, written acceptance, acceptance of delivery or use of any fuel tanks, equipment or services by the Company; or by making full or partial payment for any goods or services provided by the Company.

Modification: These Terms and Conditions are subject to change by the Company upon notice to the Customer.

Minimum Purchase of Propane: If the Company has leased or loaned a fuel storage tank to the Customer, as reflected in any preexisting contract(s) between the Company and the Customer, the Customer agrees to purchase from the Company during each twelve (12) month period an amount of fuel equal to or greater than one (1) time the capacity of the storage tank. If the Customer fails to purchase this minimum quantity during twelve (12) month period, the Company shall have the right to enter upon the Customer's premises and substitute a storage tank of lesser capacity at the then applicable equipment fee or to terminate the equipment lease or loan by giving five (5) days notice.

Tank and Equipment Charges: The Customer agrees to pay a non-refundable installation charge at the Company's posted rate, plus, if applicable, a tank and equipment deposit at the Company's posted rate, plus an annual Equipment Rental/Maintenance Fee at the Company's posted rate for all Company owned tanks and equipment leased or loaned to the Customer.

Payment Terms, Fee and Other Service Charges: The charge for fuel sold to the Customer will be calculated at the current price charged by the Company at the time of delivery for the applicable class of retail customer. The Customer agrees to pay all invoices at the time of delivery or service work unless credit is granted by Company. The Company may, at its discretion, implement any or all of the following fuel surcharges. The Customer agrees to pay a Hazmat Fee of not more than \$7.50 per delivery, to offset the increased cost of handling and delivery of hazardous materials. The Customer further agrees to pay a meter reading fee of not more than \$10.00 per month, a meter charge of not more than \$9.50 per month, a minimum meter charge of \$25.00 per month, a bulk delivery fee of \$25.00 if no gas is delivered due to customer's non-usage, a late fee of not more than \$30.00 if no payment is made within the statement billing cycle, a statement processing fee of not more than \$10.00 if the Customer's statement is not paid in full by the due date of the invoice, and a finance charge of 2% per month (or the maximum allowed by law) on any balance remaining unpaid 30 days after the invoice date. A fuel surcharge will be applied to delivery charges when warranted by high fuel costs.

Service Charge for Returned Checks: The Company may assess and the Customer agrees to pay a reasonable service charge for each check returned by the bank. Taxes: The Customer agrees to pay all personal property taxes and other taxes, assessments or similar charges that may be levied on any tanks or equipment while in the possession and use of the Customer.

Use of Tank: To promote safety, the Customer will not allow anyone other than the Company to supply fuel into any tank owned by the Company, which is leased or loaned to the Customer. The Customer agrees that he/she will not move, loan, lease, sublease, rent OR dispose of the tank or other equipment without first obtaining the written consent of the Company. The Customer further agrees to modify the Company at least thirty (30) days before any sale or change of ownership of the premises on which the tank or other equipment is installed.

Title and Damage to Company Tanks and Equipment: The title of any lease or loaned tank or equipment shall remain in the Company. Title to any propane delivered by the Company into the Customer's tank shall remain in the Company until the applicable propane invoice has been paid in full. The Customer agrees to assume the entire risk of loss or damage (reasonable wear and tear expected) and to reimburse the Company for loss or damage to

Company tanks and other equipment resulting from any cause, including fire, theft or natural disaster. If the damage exceeds the market value of the tanks or equipment, as determined by the Company, the Company will, upon payment by the Customer of that market value, assign the title to the tank or equipment to the Customer.

Access to Tank and Risk of Damage to Customer's Property: The Customer agrees to provide safe and unobstructed access to any tank being serviced by the Company and grants the Company permission to enter upon the Customer's premises at any time to deliver fuel or to service any leases or loaned equipment. The Customer agrees to bear the risk of damage and cost of repairing any damage to driveways, sidewalks, curbs, lawns, and septic systems resulting from the delivery of fuel. The Company assumes no responsibility for damage caused by Customer's failure to provide safe and unobstructed access.

Termination and Removal of Tanks and Equipment: The Company reserves the right to terminate the sale of fuel and/or the provision of any equipment or services to any Customer who is in arrears in the payment of any invoice or is in default of any obligation to the Company. Upon termination of any tank or equipment lease of loan, the Customer grants the Company permission to enter upon Customer's premises at any time and remove any Company tanks and other equipment and to charge a tank removal fee and drainage fee. The Customer agrees to bear the expense necessary to make any Company owned tanks and other equipment to ground level for service or removal. The Customer also agrees that no money will be refunded for any fuel remaining in any removed tank if the customer has had service with the Company for less than one year. Customers who have had service longer than one year further agrees that no money will be refunded for any fuel remaining in any removed tank until all amounts due the Company, including any pickup and/or draining fees, have been deducted from the value of the fuel, which will be determined by the wholesale price on the delivery date of the current wholesale price, whichever is lower.

Delay and Failure of Performance: Any delay or failure of performance hereunder on the part of the Company shall be excused without liability if the delay or failure of performance results from accidents, weather conditions, acts of God, government regulations, floods, labor disturbances, breakdowns or other failure of equipment, inadequate wholesale supplies of fuel or any other cause beyond the reasonable control of the Company.

Collections Costs and Attorney's Fees: In the event that the Company is required to incur expenses to collect any overdue invoices from the Customer or prevails in any legal proceeding with the Customer arising from the Company's sale of fuel or provision of services OR equipment to the Customer, the Company shall be entitled to recover from the Customer its reasonable expenses, including attorney's fees, collection agency fees and costs.

Safety: An odorant is added to fuel to provide a warning in the event of a leak. A hazardous situations exists whenever the smell of odorant is present, even if the smell is faint. If the smell of fuel is detected, the Customer agrees to immediately evacuate the premises, turn the valve on the storage tanks to the "Off" position, and immediately contact the Company or the public safety authorities (such as fire or police) from a neighbor's telephone so that any potentially hazardous situation can be corrected.

Warning: The Company will periodically provide the Customer with warnings concerning the safe operation of a fuel system. The Customer agrees to read the warnings, share the information with all other persons residing on the premises, and follow the warnings distributed by the Company.

Alterations: The Customer agrees not to tamper with the fuel system and agrees that all repairs, additions, alteration and modifications to the Customer's fuel system will be made only to the Company. If the fuel service to the premises is turned off or otherwise interrupted for any reason, the Customer will not allow anyone other than a Company representative to turn on the fuel service back on. The Customer understands that an inspection of the fuel system by Company personnel is necessary for safety reasons before turning the fuel back on after service has been turned off or interrupted and after any alteration or modification or the fuel system.

Exclusion of Warranty: The Customer agrees to the extent allowed by law, all warranties of MERCHANT ABILITY and FITNESS FOR A PARTICULAR PURPOSE OR USE are EXCLUDED from and shall not apply to the sale of any fuel to the sale, lease or loss of any tanks or other equipment, or the provision of any services by the Company.

Limitations of Remedy: The Customer agrees that to the extent allowed by law, the Customer's sole and exclusive remedy against the Company shall be for the replacement or repair of any defective items provided by the Company, the Customer agrees that no other remedy (including but not limited to any remedy for special, indirect, incidental or consequential loss) shall be available to the Customer.

Waiver: The Company's failure to insist upon the strict performance of any provision of these Terms and Conditions shall not be construed as a waiver of its right to the performance or the future performance of such provision or of any other provisions herein, and the Customer's obligations with respect thereto shall continue in full force and effect.

Serviceability: The invalidity or unenforceability in whole or in part of any provision in these Terms and Conditions shall not affect the validity or enforceability of any other provision. No provision in these Terms and Conditions shall be interpreted or enforced in any manner, which violates any federal, state or local law regulations or ordinance. No charge or fee provided for herein shall exceed the maximum amount allowable by law for the product or service provided.

YOUR BILLING RIGHTS UNDER THE FAIR CREDIT BILLING ACT KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

Notify Us in Case of Errors or Questions About Your Bill

In your letter, give us the following information:

Your name and account number

The dollar amount of the suspected error

Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the times you are not sure about.

If you have authorized us to pay your bill automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment, your letter must reach us three business days before the automatic payment is scheduled to occur.

Your Rights and Our Responsibilities After We Receive Your Written Notice

We must acknowledge your letter, within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill is correct.

After we receive your letter we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date it is due.

If you fail to pay the amount we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to use within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we cannot collect the first \$50 of the questioned amount, even if your bill was correct.

Special Rules for Credit Card Purchases

If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on the right:

- (a) You must have made the purchase in your home state, or if not within your home state, within 100 miles of your current mailing address and,
- (b) The purchase price must have been more than \$50.00.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for property or services.

Important Telephone Numbers

For an emergency, a service or billing question, to schedule service or an appliance repair, please call your local office listed below.



PO Box 176
Harrington, DE 19952
(302) 398-3218

PO Box 556
Georgetown, DE 19949
(302) 856-2555

209 Hayward St
Cambridge, MD 21613
(410) 228-3515

1211 Ocean Hwy
Pocomoke, MD 21851
(410) 957-9535

PO Box 257
Tasley, VA 23441
(757) 787-3580

www.pepupinc.com