

Propane Contract "DEPOSIT"

Buyer

Name:	Rocky Boy School District, 87 J-L
Address:	81 Mission Taylor Road
Town/State/Zip:	Box Elder, Montana 59521

DELIVERY AGENT: BEAR PAW ENERGY

1. **PURCHASE AND SALE.** Bear Paw Energy 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 November 1, 2016 through May 30, 2017. *If, at any time during the contract, the price of propane sells for a price lower than contracted, the Buyer will be discounted the applicable sale rate.*

DATES	QUANTITY	MAXIMUM PRICE/GALLON	DOLLAR AMOUNT
November 1, 2018- May 30, 2019	85,833 gallons [est] <i>54,700</i>	\$2.10/Gallon <i>7¢ (17-18)</i>	\$180,250.00 <i>\$115,000</i>

2. **PAYMENT TERMS.** Bear Paw Energy shall properly invoice, specifically designating the building and/or location of each delivery via separate invoice, the Rocky Boy School District upon any delivery of propane and the Buyer shall pay, in full, invoiced propane within ten [10] days of invoice.

3. **TERMS 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 Buyer's storage locations. Thereafter, the care, handling, and use of propane shall be at the sole risk and expense of Buyer. Buyer specifically agrees that Bear Paw Energy may direct Bear Paw Energy personnel to deliver the propane covered by this agreement at Bear Paw Energy's convenience, subject to a covenant by Bear Paw Energy to ensure and prevent Buyer from running out of propane during the term of this Agreement. If the Buyer is required to purchase propane from another provider due to running out, Bear Paw Energy agrees to pay any difference in the cost per gallon. The parties agree that in the event Bear Paw Energy needs to allocate propane among its customers due to a product supply shortage, it will give priority in allocation to those who have entered into contracts.

5. **WARRANTIES AND LIMITATIONS OF LIABILITY.** Bear Paw Energy warrants that propane sold under this Agreement meets specification of Gas Processor Association at the time of delivery. This warranty is in lieu of all other warranties, expressed or implied, including, but not limited to, implied warranties of merchantability or of fitness for a particular purpose. The correction of any nonconformity, the refund of the price, or replacement of the product, at Bear Paw Energy's option, constitutes fulfillment of all liabilities of Bear Paw Energy arising hereunder whether liabilities are bases on contract, negligence, or otherwise. In no event will Bear Paw Energy 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 some, 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, representation, or warranties; no alteration or amendment will be effective unless it is in writing and signed by Bear Paw Energy and the Rocky Boy School District, 87 J-L.

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 affect the validity, or enforceability, or remaining provisions of the Agreement.

10. **GOVERNING LAW.** This Agreement shall be construed, and enforced in accordance with, the laws of the State of Montana and the Chippewa Cree Tribal Codes.

11. **BUY OUT.** If Buyer would request to terminate this contract at any time before the expiration date, a Buy Out fee of Five (.05) per gallon would be due on unused portion of the remaining contract.

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

Seller: Bear Paw Energy

Buyer: Rocky Boy Schools, District 87 J-L

By/Date: _____

By/Date: _____