



2794 Seventh Avenue Troy, NY 12180
518-874-4510 Fax: 518-874-4509
www.rayenergy.com

Name of Firm: _____ Fed Id #: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Business Phone: _____ Fax#: _____

Delivery Address: _____

City: _____ State: _____ Zip: _____ County: _____

Type of Business: _____ Years in Business: _____

Ownership: Sole Proprietorship Partnership LLC Corporation

Owner(s) or Principal Shareholder(s):

Name: _____ Home Address: _____ SS#: _____

Name: _____ Home Address: _____ SS#: _____

Name: _____ Home Address: _____ SS#: _____

Name: _____ Home Address: _____ SS#: _____

Accounts Payable Contact: _____ Phone#: _____ Email: _____

Should Invoices be: Mailed Emailed Both Email Address to send invoice to: _____

Bank Name: _____ Address: _____

Bank Contact: _____ Phone#: _____ Bank Account# _____

Credit References:

Name: _____ Address: _____

Phone: _____ Fax#: _____

Name: _____ Address: _____

Phone: _____ Fax#: _____

Name: _____ Address: _____

Phone: _____ Fax#: _____

Credit Terms of Ray Energy Corp ("Seller") are net 10 days. The applying firm ("Buyer") agrees to all terms and provisions of the Terms and Conditions on page 2 of this Application. In consideration of Seller extending credit, the undersigned who is financially interested in the Buyer, hereby executes this Account Application on behalf of the Buyer and individually guarantees all obligations of the Buyer to Seller. The undersigned warrants to the Seller that the representation made are true and accurate. The undersigned is executing this Authorization for Credit Report individually for the purpose of authorizing Ray Energy Corp to obtain a consumer credit report on the undersigned individual through credit and consumer reporting agencies or other sources. In order to further evaluate the credit worthiness of such individual in connection with the credit evaluation process and the proposed extension of business credit to the applicant. The undersigned, as an individual, hereby knowingly consents to the use of such credit report in accordance with the federal Fair Credit Reporting Act as contained in 15 U.S.C. 1681 ET SEQ.

By: _____

Individually and as an officer of the Buyer

Print Name & Title

Date

RAY ENERGY CORP TERMS AND CONDITIONS

THESE TERMS AND CONDITIONS are made in connection with and, are an integral part of, the Account Application made by Buyer in order to obtain credit with Ray Energy Corp. a New York Corporation ("Seller").

1. Scope.

Buyer has entered into an Account Application with Seller for the purpose of obtaining supplies of propane/fuel from Seller from time to time. Buyer will order propane/fuel from Seller through various methods including, without limitation, by phone, by email, and by fax. Buyer agrees that all orders of propane/fuel from Seller are subject to the Account Application and to these Terms and Conditions. The Account Application, these Terms and Conditions and the orders placed by the Buyer with Seller are hereinafter collectively referred to as the "Agreement."

2. Period of Agreement.

These Terms and Conditions shall be applicable to all purchases of propane/fuel ("product") made by Buyer from Seller from time to time

3. Terms.

Net 10 days from date of invoice, 2% per month finance charge. Checks or Electronic Fund Transfers returned for insufficient funds are subject to \$150 charge. Buyer agrees to purchase within their existing approved credit line with Seller. All payment by Buyer to Seller will be made in accordance with invoice instructions, unless otherwise directed. Seller may terminate the credit line of Buyer or change the credit terms upon notice to Buyer. If Seller shall, in its sole judgment, deem Buyer's ability or willingness to pay any amounts due under the Agreement impaired, Seller may demand an immediate EFT, cashiers check, certified funds, advance payment, and any form of security for any amounts owed by Buyer to Seller pursuant to the Agreement. Seller shall have the right to immediately suspend any performance hereunder until said demand is met by the Buyer. If Buyer does not provide the same within three days after demand, Seller may forthwith terminate any obligations under the Agreement or any additional performance by Seller thereunder, and Buyer shall be liable for all charges of Seller under the Agreement. At any time that Buyer is in default to Seller under the Agreement, or for any payments due Seller, or otherwise, Seller may, at its option, cease any performance under the Agreement or any other performance on behalf of Buyer. In any suit to recover the purchase price of goods sold to Buyer, or to recover any other amounts due from Buyer, Seller, if permitted by applicable law, shall be entitled to recover, in addition to the amounts due from Buyer, its reasonable costs of collection, including attorney's fees and interest, all of which Buyer agrees to pay. In the event that Buyer fails to pay any and all sums owed to Seller when due, Buyer grants to Seller the right to offset and apply any funds held by Seller and owing to Buyer toward the amounts then owed by Buyer to Seller. This right of offset shall be in addition to, and not in substitution for, any other rights and remedies available to Seller by law, in equity, or under other provisions of the Agreement.

4. Point of Sale and Point of Passing of Title and Risk in the Product to Buyer.

Point of Sale and Point of Passing of Title shall be F.O.B. the supply terminal. At and from the Point of Sale and Point of Passing of Title, the Buyer shall bear all risk of loss, shall be solely liable for, and shall indemnify the Seller against all claims, demands, loss, or damage caused by, or attributable to, any products purchased hereunder or their transportation, handling, care, resale or other use. The Seller shall not be responsible for obtaining any insurance on behalf of the Buyer. Buyer assumes all risks of loss that result from the use of the products purchased hereunder whether used singly or in combination with other substances or in any process. Seller shall not be liable, whether as to goods delivered or for non-delivery of goods, for any damages, including exemplary or special damages or for consequential damages, in connection therewith. Buyer agrees to indemnify and hold harmless Seller, its successors and assigns against all losses, claims, causes of action, penalties and liabilities arising out of Buyer's failure to comply with all applicable federal, state and local laws, ordinances, regulations, rules orders, including but not limited to, the use and labeling of product containers, and such failure of compliance shall entitle Seller to terminate the Agreement immediately as it applies to the products affected by such failure.

5. Notice of Product Lifting.

Buyer shall clear all product lifting in advance with Seller and shall not lift product until authorization is given by Seller.

6. Force Majeure and Commercial Impracticability.

Seller shall not be liable to the other party for any failure of performance of the Agreement (other than to make payments due hereunder) for the time and to the extent such failure is occasioned by acts of God, wars, floods, fires, explosions, storms, strikes, lockouts or other industrial disturbances, acts or orders of government authorities, disruptions or breakdown of production or transportation facilities, or any other cause or causes beyond its control whether similar or dissimilar to those stated above; PROVIDED, however, that performance shall be resumed within a reasonable time after such cause has been removed. In addition, and without limiting the foregoing, if Seller becomes unable to obtain expected amounts of product for delivery under the Agreement for any reason, including changes in pipeline allocations, refinery availability, rail delays and prorotation schedules, Seller shall have the right, in its discretion, to reduce the amount of products provided to the Buyer under the Agreement or to completely terminate such supply of products to the Buyer.

7. Indemnification.

Buyer shall protect, defend, indemnify, and save harmless Seller, its parent, subsidiaries, and affiliates, and the employees and agents of Seller from any and all claims, demands, damages, and causes of action, of every kind which may be initiated by any person or entity, including Buyer and its employees, contractors, and agents, arising out of or in connection with the Agreement, including, without limitation, the resale, use, handling or storage of the product by Buyer, or other operation and conduct of Buyer, except to the extent that such claims, demands, damages, and causes of action result solely from the negligence of Seller or its employees, contractors, or agents. This indemnity is contractual in nature, and shall apply with respect to all such claims and litigation, whether based upon negligence, strict liability, or other legal doctrines or principles, and shall cover all of Seller's costs, expenses, and attorneys' fees incurred in the defense of such claims and litigation, and in the enforcement of this indemnity against Buyer. This indemnity shall survive and continue in effect, notwithstanding the expiration, termination, or cancellation of the Agreement.

8. Amendments.

All amendments to, and modifications of the Agreement must be by written instrument duly executed by Buyer and Seller, except those changes made in the Agreement, or as necessary to conform to rules and regulations as imposed by federal, state, and local authorities.

9. Product Quality or Quantity.

If Buyer has any complaints or objections to the quantity or quality of products arriving at Buyer's F.O.B. Delivery Point, Buyer shall notify Seller immediately by telephone and give Seller an opportunity to investigate. Failure to notify Seller of the complaints or objections within 24 hours from the time of delivery shall be a waiver of any defects by Buyer.

10. Taxes.

The amount of any present or future governmental tax, fee or duty (not included in the price or otherwise paid by Buyer) on the manufacture, sale, use or handling of said products or materials, shall be paid by Buyer to Seller.

11. Governing Law.

The Agreement shall be deemed to have been made in New York, regardless of the place or order in which the signatures of the parties are affixed; and the Agreement shall be construed in accordance with the laws of New York. The parties agree that any claim or controversy arising from or relating to, directly or indirectly, the Agreement may be litigated only in the State of New York and the parties hereto consent to be subject to the jurisdiction of such courts.

12. Entire Agreement.

The Agreement sets forth all understandings between the parties respecting the subject matter of this transaction and all prior agreements, understandings, and representations, whether oral or written, representing this subject matter are merged into and superseded by the Agreement.

13. Waiver.

No waiver by either party hereto of any default of the other party hereunder shall operate as a waiver of any future default, whether of like or different character.

14. Default.

In the event either party hereto should fail to keep and perform any agreement herein, the non-defaulting party may give oral or written notice of such default to the other party hereto, and, in the event such default is not cured by the defaulting party within one day after the receipt of such notice, the non-defaulting party may, at its option and without further notice, declare the Agreement canceled and terminated. Any such action on the part of the non-defaulting party shall in no way diminish any other legal or equitable right which the non-defaulting party may have against the defaulting party for such breach of the Agreement.

15. Notices.

Notices to Buyer and invoices from Seller for product delivered to Buyer shall be given to Buyer at the address for Buyer set forth on the Account Application.

All notices to Seller shall be made and mailed to:

Ray Energy Corp
Attn: Credit Department
2794 Seventh Ave
Troy, NY 12180

Unless otherwise provided herein, any and all notices required or permitted under the Agreement shall be deemed sufficiently given if made in writing and either delivered in person or deposited, postage prepaid, in the United States Post Office, certified or registered mail.

16. Assignment.

Neither Buyer nor Seller shall assign the Agreement in whole or in part, without the written consent of the other which consent shall not be unreasonably withheld. All the covenants and obligations of the Agreement shall extend to and be binding upon the successors and assigns of the respective parties.

17. Security Interest.

Buyer hereby grants to Seller a security interest in all propane/fuel and other products sold by Seller to Buyer, which products shall include, without limitation, liquefied petroleum gas (LPG) or other fuels located at Buyer's facilities. Buyer hereby acknowledges and agrees that the Account Application and these Terms and Conditions constitute a security agreement for purposes of granting to Seller a security interest in said propane/fuel and other products. The security interest shall secure the payment of all sums due to Seller by Buyer. Buyer hereby authorizes, and grants to Seller the authority to file, on behalf of Buyer, any and all documents necessary or appropriate in order to perfect the security interest granted herein.

18. Propane Specifications (Propane Buyers Only).

The product shall conform to the specifications for Commercial Grade Propane of, at Seller's option, either the Gas Processors Association or the American Society for Testing Materials in effect on date of delivery.

19. Ethyl Mercaptan Warning (Propane Buyers Only).

Buyer hereby acknowledges and understands the following with respect to ethyl mercaptan. It is important that Buyer periodically reminds its customers and employees that even though ethyl mercaptan has been recognized as the best available odorant for propane, no odorant is effective 100% of the time. The odor of the gas may, under some circumstances, be reduced or lost if put into a tank that is new or has been exposed to the air for extended periods. Electronic gas detectors (that emit a shrill sound in the presence of gas) should be recommended to Buyer's customers as an additional safety measure for detecting leaks. Buyer's customers should be familiar with the smell of the odorant and their ability to smell it. Buyer will inform them that colds, allergies, smoking, alcohol, age, competing odors and simply "getting used to" the odor can cause them not to detect escaping gas. Buyer will familiarize itself, its employees and its customers with the potential limitations of the odorant and the alleged phenomenon of "odor fade". Buyer will refer to Product's "Material Safety Data Sheet" or refer to the NPGA, its state association, or Seller if further information is desired.

Buyer agrees to inspect such gas to confirm that it has been malodorized to Buyer's satisfaction. If Buyer's inspection reveals that the gas has not been so malodorized, Buyer shall add ethyl mercaptan in sufficient quantity to satisfy the requirements of the Agreement, and Seller shall reimburse Buyer promptly for the cost of adding such ethyl mercaptan, including reasonable labor costs upon Seller's receipt of Buyer's written request for reimbursement. Buyer further agrees to check for the presence of malodorant prior to resale in order to identify any loss of odorant due to handling or storage and to add ethyl mercaptan as indicated.

Seller has furnished to Buyer information (including Material Safety Data Sheet(s)) concerning the safety and health aspects of products and/or containers for such products sold to Buyer hereunder, including safety and health warnings. Buyer acknowledges receipt of such information and agrees to communicate such warnings and information to all persons Buyer can reasonably foresee may be exposed to or may handle such products and/or containers, including, but not limited to, Buyer's employees, agents, contractors and customers.

20. Warranties (Propane Buyers Only).

Seller warrants that the goods sold hereunder shall conform to the description stated in paragraph 18 and that it will convey good title thereto. THE FOREGOING IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR USE. In no event shall Seller be liable for any direct or consequential damages; indirect damages, loss of profits; loss of revenues; or other damages. In the event that the express warranty set forth in the first sentence of this paragraph 20 above is breached, Seller shall, at its option, either correct a nonconformity of the Product specification, refund the applicable purchase price of the Product, or replace the Product. The remedy as chosen by Seller shall represent Seller's maximum liability, and constitute Buyer's exclusive remedy, for any breach of the express warranty in the first sentence of this paragraph 20.