

PANCO PETROLEUM CO.

OIL BURNER SERVICE AGREEMENT

ROCKLAND COUNTY (845) 429-9120 • PINE ISLAND (845) 258-4046
WARWICK (845) 986-2264 • HIGHLAND FALLS (845) 446-2008
GOSHEN (845) 294-8871 • PASSAIC/SUSSEX (973) 209-1787



www.panco.com

Terms and Conditions

This Service Agreement is available only to customers who purchase all their fuel oil and all heating systems services from us, **remain on automatic delivery**, are not members of any buying co-op during the term of the agreement and whose payments are in accordance with our payment and credit terms. The Service Agreement becomes effective after our inspection and approval of your heating system and tank.

1. The term of the agreement is for a one (1) year period and will re-new automatically every year unless terminated by either the customer or Company. The agreement automatically terminates if the customer no longer purchases all of its heating oil from the Company. No credit will be issued if the agreement is canceled before the expiration date.

2. Repairs or services not covered by the agreement will be performed and charged to the customer at prevailing rates. Our service contract customers receive a 20% discount off non-contract services billed at prevailing rates.

3. In addition, the Service Agreement may include the TankSure® Program which provides an EPA Approved tank testing service and the TankSure® Program Limited Warranty. An ultrasonic tank test will be performed by our technician before your tank can be accepted for enrollment in the TankSure® Program. While we cannot guarantee the prevention of a leak or other failure of your tank, we are providing

these new services with the hope that by testing and monitoring, we are offering a long-term proactive tank replacement program for our customers. We recommend that an annual test of your fuel tank be performed. If a tank leak occurs due to corrosion once you are on the program, or a tank leak occurs due to a manufacturer's defect or a non-leaking tank is identified for proactive replacement by the TankSure® Tank Analysis Software the Company will cover the replacement of your tank in accordance with the terms of the TankSure® Program Limited Warranty. A Warranty Certificate will be provided to you. Not all tanks qualify for TankSure® Program coverage.

4. The Service Agreement does not cover labor or materials to repair damage to the heating system or residence caused by the customer's neglect such as failure to have sufficient fuel oil in the tank (**unless oil is being delivered under our automatic delivery program**), insufficient water for boiler, blown fuses or other failure of electrical system, improper thermostat settings or faulty thermostat, having heating system switches in the "OFF" position, debris build up in the air or venting systems and other causes related to operation or maintenance of the heating system by the customer. Damage, repairs or replacement of parts or components caused by Acts of God, fire, flood, freezing, storm or weather conditions, power loss or surges, water damage, and fuel flow problems due to outside fuel storage are not covered by the agreement.

5. Company will provide service as soon as practical, during regular business hours under normal conditions or on an emergency basis if necessary. Company will not be liable for any delay or failure to provide service due to conditions beyond its control such as Acts of God, labor disturbances or strikes, unavailability of mechanics or parts, failure or interruption of customer's electricity, inaccessibility of the heating system, storms, floods or other severe weather conditions, or government laws or regulations.

6. The Service Agreement covers only heating system parts and components specified in the agreement. Examples of components not covered by the agreement include boiler and furnace and related piping, underground oil storage tanks, above ground storage tanks (unless enrolled in TankSure® Program), tanks with preexisting leaks, patches or unstable conditions, air conditioning systems, humidifiers, heat pumps, heat exchangers, hot water heating systems and air and venting systems. The agreement does not cover environmental clean up, property damage, waste disposal services or other damages or losses caused by a tank leak or system failure even if the tank has been tested ultrasonically and is enrolled in the TankSure® Program.

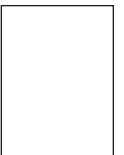
7. Customer agrees to release and hold Company harmless from all claims related to losses, costs, or damage to personal or real property caused by fire, explosion, flood, freezing, power loss or surges, oil leakage, and premises left unattended. Customer agrees that Company shall not be liable for any incidental, special or consequential damages incurred by customer or by third parties.

8. In the event that the residence is sold, the Service Agreement may be transferable and may remain in effect provided that the new owner continues to purchase fuel oil and heating system service from the Company and abides by all other provisions of this agreement.

9. This Agreement does not cover frozen or clogged oil lines. Nor does this agreement cover removal of water from oil tanks. This Agreement does not cover break downs of the burner as a result of fuel not being able to get to the burner. Repair or replacement of oil lines will be at the prevailing rates.

10. Emergency Service Labor rates for covered services are as follows (subject to change without notice) **A. No Charge:** Weekdays 8AM to 4PM **B. One-Half Prevailing Night-Time Rates:** Weekdays 4PM to 10PM & Saturdays 8AM to 4PM **C. Full Night-Time Rates:** Weekdays 10PM to 8AM, Saturdays Before 8AM and After 4PM & Sundays and Holidays All Day **D. Our service contract customers receive a 20% discount off non-contract services billed at prevailing rates.**

11. **Before your scheduled maintenance please remove all items from the area surrounding your oil burner and tank. The entire heating system including tank must be accessible for our technicians.**



Panco Petroleum Company
PO Box 417
Pine Island, NY 10969-0417

Did you know...

We are a "TOTAL" energy company.
 Our affiliate Panstar Propane can
 take care of your propane needs too!
 Call us today!



At Panco Petroleum Company we are continuously searching for ways to help our customers, the community, and the environment, that is why we are introducing an incredibly valuable new service called The TankSure® Program, included in our Oil Burner Service Agreement.

Our Service Agreement ensures that you will receive professional preventive maintenance for your oil burner and fuel oil tank. An oil burner tune-up which is included, will increase your heating efficiency and allow you to save on heating costs. Our Service Agreement has been designed to be economical, and a great value. The purpose of the agreement is to keep your heating and hot water system working at peak efficiency and to keep critical parts maintained. To avoid the risk of expensive repairs take advantage of our Oil Burner Service Agreement.

OIL BURNER SERVICE AGREEMENT

Annual Tune-Up

- ✓ Save up to 10% on heating costs
- ✓ Add years to the life expectancy of this expensive equipment.
- ✓ Recommended professional preventive maintenance

This Tune-Up is valued over **\$150.00!**

- Cleaning oil burner
- Lubrication of burner or pump motor
- Inspecting flues and stacks
- Efficiency test with scientific instruments
- Replacement of filter cartridge
- Replacement of strainers
- Replacement of nozzles (if needed)
- Checking controls and switches

Emergency Service

Our dedicated team of professionally trained emergency service technicians are always available for emergency heating repairs. This service is available only to our service agreement customers. See terms and conditions for more information.

The TankSure® Program

See below for benefits including a \$1,000 Tank Replacement Warranty!

Parts Protection

Includes necessary regular or emergency service calls due to no heat during the term of the agreement. In addition, the company will replace or repair, at no extra cost, the following worn or defective parts:

These Parts are valued over **\$700.00!**

- Ignition Transformer
- Oil Burner Motor
- Single Aquastat
- Fuel Pump Couplings
- Electrode Assembly
- Plain Thermostat
- Strainer
- Single Combustion Relay
- Oil Burner Pump
- Filters
- Electrodes
- Circulator Coupling
- Cadmium Cell
- Pressuretrol
- Nozzle
- Oil Burner Fan
- Ignition Wires
- Emergency Switch

Water handling parts or any other part not specifically listed above are NOT covered by this agreement. (Total value of parts and labor covered under this agreement exceeds \$1400.00!)

\$150 Credit

Used towards replacement of existing boiler or furnace.

THE TANKSURE® PROGRAM

Heating oil tanks typically corrode from the inside out. Your tank may look perfectly fine from the outside but it could be wearing excessively thin. The testing (similar to a medical ultrasound) will allow us to give you a sense of security – or advance warning that a problem is on the horizon.

PROGRAM BENEFITS

Proactive \$1,000 Replacement Warranty

- ✓ \$1,000 Warranty covers proactive replacement of your tank
- ✓ Proactive replacement of tanks before they leak, reducing unexpected costs

Tank Inspection Certificate

- ✓ You may be eligible for a discount on your home insurance policy
- ✓ Present your Tank Inspection Certificate to your broker and request a discount
- ✓ Important documentation if you are selling your home

Ultrasonic Inspection

- ✓ Trained personnel use ultrasonic equipment to test the thickness of your tank
- ✓ Ultrasonic equipment (similar to those used in the medical profession) detects the level of corrosion occurring inside your tank

For Underground Tanks

- ✓ \$350 replacement credit to upgrade your oil tank(s) to above ground

For Above Ground Non-Qualifying Tanks

- ✓ \$350 replacement credit to upgrade your oil tank



CUSTOMER SERVICES & BENEFITS

Automatic Delivery

With a sophisticated monitoring system, we can track your fuel usage and predict your need based on weather patterns. Utilizing this system we are able to automatically deliver your fuel when you need it. Worry free, we will keep you supplied with home heating fuel!

Panco's Budget Plan

Fuel prices may go up or down. Winter temperatures can set records. There's really no way to predict what weather each year may bring. That's why we've developed a plan that will make things easy for you. We offer a 11 month budget plan that lets you spread your heating cost in smaller predictable payments.



Panco Rates & Coverage

- A. No Charge: Weekdays 8AM to 4PM
- B. ½ Prevailing Night-Time Rates: Weekdays 4-10PM; Sat. 8AM to 4PM
- C. Full Night-Time Rates: Weekdays 10PM to 8AM - Sat. After 4PM - Sundays and Holidays All Day
- D. Parts and Labor not covered by this contract are billed at our prevailing rates. Our service contract customers receive a 20% discount off these services. *Rates subject to change without notice.

Yes, I would like to sign up for:

Oil Burner Service Agreement \$299.99
 Add \$99.99 for each additional burner # of burners _____ x \$99.99 = _____
 Add \$219.99 for each additional year of coverage purchased NOW! # of years _____ x \$219.99 = _____
 Add \$99.99 for additional years on additional burners # of years _____ x # of burners _____ x \$99.99 = _____

Bill my account or Charge my Credit Card or Draft my Checking Account

Applicable Sales Tax = _____
TOTAL = _____

Please fill out attached card for security purposes.

Customer Account # _____ Make sure I am an Automatic Delivery Customer Yes No
 Name _____ Phone _____
 Address _____
 City _____ State _____ Zip _____
 Signature _____ Date _____

Enrollment in the TankSure® Program is contingent upon the customer's tank passing an initial ultrasonic and visual inspection. While we cannot guarantee the prevention of a leak or other failure of your tank, we are providing this new service with the hope that by testing and monitoring, we can offer a long term proactive replacement program for our customers.