

UNDERGROUND PROPANE DISTRIBUTION LINE LEASE AGREEMENT

The following Lease Agreement is entered into this 31 day of July, 2025 by and between Western Hills Water District, Lessor, and Ferrellgas, L.P. Lessee.

Ferrellgas will lease the underground distribution system from Western Hills Water District for a term of 5 years. Rent for the system shall be \$20,000.00 annually, payable to Western Hills Water District. Rent for the system shall be due annually on September 1.

Ferrellgas is the "Operator" of the Western Hills Water District Jurisdictional Pipeline; and Western Hills Water District is the "Owner." Both parties agree there is a separate Agreement to Operate Gas Distribution (Pipeline) System entered on July 31, 2025 (hereinafter "Agreement to Operate"). This lease Agreement shall in all respects be subject to the Agreement to Operate. Upon termination of the Agreement to Operate for any reason, this lease Agreement shall immediately terminate.

Registration with and membership in the State One Call system in the state in which the system is located is the responsibility of Ferrellgas, as Operator.

Western Hills Water District agrees to grant Ferrellgas the ingress and egress necessary for the operation of the pipeline. Western Hills Water District agrees that no other entity shall operate, repair, maintain or service the pipeline without the express written consent of Ferrellgas.

Western Hills Water District is solely responsible for the repair and maintenance of the underground pipeline. Ferrellgas will make best efforts to notify the Western Hills Water District of any maintenance or repairs that are necessary on the pipeline. Ferrellgas, at its option, may retain the services of outside independent contractors or agencies to perform any or all of these services. In the event that repair or replacement of the underground propane distribution line belonging to Western Hills Water District is required, Western Hills Water District shall bear the cost of such repair and/or replacement, and shall reimburse Ferrellgas a reasonable sum for materials and labor required. Ferrellgas may decline to repair or replace the equipment if, in its sole discretion, said repair or replacement is not commercially feasible or safe.

Western Hills Water District agrees to comply with all applicable State laws; and to remain compliant with the Federal Pipeline Safety Act of 1968 (49CFR parts 191 and 192) and all applicable state and local codes and regulations. It is expressly understood that if Western Hills Water District invoices for the gas delivered through the pipeline, it will be responsible for meeting all requirements of 49 CFR 191 and 192.

Each party, at its own expense, shall maintain Comprehensive General Liability Insurance with a combined Bodily Injury and Property Damage limit of at least \$1,000,000, including the following hazards: a) Broad Form Blanket Contractual Liability for liability assumed under this Agreement, and b) Broad Form Property Damage. The parties shall each provide a Certificate of Insurance showing the required coverages are in place and such insurance shall not be cancelled without 30 days advance written notice to the other.

WESTERN HILLS WATER DISTRICT AGREES TO DEFEND, INDEMNIFY, SAVE, AND HOLD FERRELLGAS HARMLESS FROM ANY CLAIM, LIABILITY, LOSS, CAUSE OF ACTION, FINE, PENALTY, LAWSUIT, ADMINISTRATIVE ACTION OR OTHER OBLIGATION AND LIABILITIES ARISING FROM THE USE AND OPERATION OF THE PIPELINE, INCLUDING, BUT NOT LIMITED TO, ATTORNEY FEES AND COURT COSTS UNLESS CAUSED BY THE SOLE GROSS NEGLIGENCE OF FERRELLGAS. THIS INDEMNIFICATION AGREEMENT SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

This Agreement may not be assigned without the prior written consent of the other party. This agreement shall be binding upon and inure to the benefit of successors in interest and assigns of the parties.

Either party may terminate this agreement upon thirty (30) days' written notice to the other party.

WESTERN HILLS WATER DISTRICT

FERRELLGAS, L.P.

Signature Date

Signature Date
Bonna Preston

Printed Name

Printed Name
General Manager

Title

Title