

PROPANE SUPPLY AGREEMENT

Diablo Grande Association/Subdivision (Association) and J.S. West (West) a California corporation hereby enter into this propane supply agreement on This certain real property more particularly described as:

Phase 1 which consists of property lying within Township 6 South, Range 7 East M.D.B.&M., all lying within Stanislaus County, California, and further described as follows:

All that property lying within Sections 13, 24, and 25, Township 6 South, Range 6 East described as follows;

The South $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$; the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$; the south $\frac{1}{2}$ of the Northeast $\frac{1}{4}$; the Southeast $\frac{1}{4}$; the East $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ all within said section 13;

The East $\frac{1}{2}$; the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$; the South $\frac{1}{2}$ of the Southwest $\frac{1}{4}$; the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ all within said section 24; and

The North $\frac{1}{2}$; the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$; the East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$; the North $\frac{1}{2}$ and the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ all within said Section 25.

All that property lying within Section 7, 18, 19, and 30, Township 6 South, Range 7 East described as follows:

The South $\frac{1}{2}$ of the Northeast $\frac{1}{4}$; the North $\frac{1}{2}$ and the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$; and the South $\frac{1}{2}$ of Government Lot 10 all within said Section 7;

Government Lot 1; the South $\frac{1}{2}$ of the South $\frac{1}{2}$ of Government Lot 3; Government Lots 5, 6, 7, 8, and 9; the North $\frac{1}{2}$ of Government Lot 10; and the West $\frac{1}{2}$ of the South $\frac{1}{2}$ of Government Lot 10 all within said Section 18;

The North ½ of Government Lot 2; the Northwest ¼ of the South ½ of Government Lot 2; Government Lots 3, 4, 5, 6, and 7; the North ½ of Government Lot 8; and the West ½ of the South ½ of Government Lot 8 all within said Section 19; and

The West ½ of Government Lot 4; and the Northwest ¼ of Government Lot 5 all within said Section 30.

1. Term. West has the exclusive right to supply propane to the Association development and the homes within the association for a period of 20 (twenty) years from the date of last signature by a party to this agreement.
2. It is agreed that West Exclusive will be the gas supplier for the term of the contract. West will have the right of first refusal on any written bid to provide gas for an additional 5 years.
3. Supplying Propane. West shall take all actions and provide all facilities (the "Facilities") necessary to supply propane to the Associations developments and the homes within the Associations developments. The Facilities include, but are not limited to, a 30,000-gallon underground propane storage tank, Vaporizer, vapor meters, valves, regulators, risers, fittings, blocks, fencing and above ground gas lines.
4. Charges. West shall not charge the Associations any monetary amounts under this agreement. Rather, West may charge the Associations and their residents for Propane that it supplies to them. The amount that West may charge for the propane that it supplies is \$1.55 over Rack. West will be allowed to change price annually based on CPI, Western U.S. Index. Price may be verified by West upon Association request.
5. Granting of Easement- The Association hereby grant and convey to West and its successors and assigns, an easement to install, construct, use, monitor, inspect, test, maintain, operate, alter, add to, repair, replace, reconstruct, and or remove the Facilities in the Associations developments common area in the County of Stanislaus State of California described in Exhibit A (attached).
6. Removal of the Facilities- West is and shall remain the owner of all above-ground Facilities including the Underground 30,000-gallon propane storage tank. West may remove the Facilities upon termination of this agreement. The

Association is currently the owner of all below-ground facilities within the common area of the development. West shall have no further obligation to install, monitor, inspect, test, maintain, repair, remove, or replace the below-ground Facilities, other than to ensure that the facilities are conveyed to the Association in good working order and condition in conformance with all Federal, State and Local laws, regulations and ordinances.

7. Maintenance- West shall be solely obligated at its sole cost to operate and be licensed to supply propane, and to install, construct, use, monitor, inspect, test, maintain, operate, alter, add to, repair, replace, reconstruct, and remove the facilities so that they remain in good working order and condition in conformance with all Federal, State, local laws, regulations, and ordinances.
8. The parties agree that the total agreement between the parties is contained herein. The parties agree that all representations that are not contained in this agreement are null and void and not a part hereof.
9. Insurance- West further agrees, during the term of this Agreement, to maintain a policy of liability insurance providing covering for bodily injury and property damage arising from West's activity under this Agreement in a combined amount of not less than five million dollars (\$5,000,000)
10. The parties hereto agree that either party thereof may record this agreement or copies. Upon breach of this agreement or any exhibit to this agreement by the Association, West reserves the right to cancel the contract and remove all the West Owned equipment at any time on 60 days notice of such breach. The 60-day notice shall be considered an opportunity to cure any such breach. Excepting such breach, West shall not remove said equipment and fixtures without a court order, except for necessary repairs and replacements.
11. The parties hereto agree that either party thereof may record this agreement or copies. Upon breach of this agreement or any exhibit to this agreement by the Association, West reserves the right to cancel the contract and remove all the West Owned equipment at any time on 60 day's notice of such breach. The 60-day notice shall be considered an opportunity to cure any such breach. Excepting such breach, West shall not remove said equipment and fixtures without a court order, except for necessary repairs and replacements.
12. Force Majeure- West shall not be liable to the Association for failing to supply propane if West failure to perform is caused by or results either directly or

indirectly from any acts of God, governmental regulations, fires, floods, storms, strikes, war, work stoppages, embargo's, breakdowns, or failures in transportation facilities or product shortages or other cause beyond West's control provided West uses its reasonable best efforts to promptly and completely eliminate the cause of the failure and to restore the propane supply.

13. Compliance with Law- No provision of this agreement shall be construed to excuse any person from observing any law or regulation of any governmental body having jurisdiction over such person or their property.

THEREFORE, This Agreement is executed on _____ 20____,

At _____, Stanislaus County, California.

JS West Propane

BY _____

Date_____

Diablo Grande Association

BY _____

Date_____

Homeowners Association

By _____

Date_____

Notary:

Date_____