

# TEXAS LPG TANK LEASE AND SUPPLY AGREEMENT

DATE: 3-6-15

DEALER (Lessor): Deedus Propane 510 E. Main Deedus Texas 76234  
(Name, Address, Zip, Tel. No.)

CUSTOMER (Lessee): Wise Co. Sheriff 200 Rock Ramsey Deedus Tx.  
(Name, Address, Zip, Tel. No.)

Description of Real Property where Equipment to be located: \_\_\_\_\_  
(Describe)  
YARD Behind Shop

Property Owner: \_\_\_\_\_  
(Name, Address, Zip, Tel. No.)

Initial Lease Period: From \_\_\_\_\_ to \_\_\_\_\_ Renewal Lease Period:  monthly  yearly.  
(Check One)

TANK	MFG.	SIZE	SER. NO.	TYPE	TANK LOCATION	EQUIPMENT DEPOSIT	RENTAL FEE PER: (CHECK ONE)	
							<input type="checkbox"/> MONTH	<input type="checkbox"/> YEAR
1.	<u>Nat Butane</u>	<u>500</u>	<u>37439</u>	<u>A/C</u>	<u>YARD</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<input checked="" type="checkbox"/>
2.						\$ _____	\$ _____	<input type="checkbox"/>
3.						\$ _____	\$ _____	<input type="checkbox"/>
4.						\$ _____	\$ _____	<input type="checkbox"/>
Other Equipment [Attach Description]:						Use Tax:	\$ _____	
						TOTAL	\$ _____	\$ _____
Installation:	\$ _____	per tank.			Removal:	\$ _____	per tank.	HAZMAT annual fee.
Reconnection:	\$ _____	per tank.			Other:	\$ _____	(Insert "None" if applicable)	
Minimum Use Amount \$ _____								

CUSTOMER ACKNOWLEDGES THAT HE HAS READ THIS AGREEMENT, PARTICULARLY THE TERMS AND CONDITIONS SET FORTH HEREIN AND THAT HE UNDERSTANDS THEM AND THAT THEY CONSTITUTE THE ENTIRE AGREEMENT, UNDERSTANDING, AND REPRESENTATIONS, EXPRESS AND IMPLIED BETWEEN DEALER AND CUSTOMER WITH RESPECT TO THE EQUIPMENT RELEASED HEREUNDER, AND THE LPG SERVICE TO BE PROVIDED.

CUSTOMER AGREES AND UNDERSTANDS THAT THE EQUIPMENT LEASED HEREUNDER REMAINS THE SOLE PROPERTY OF DEALER AND SHALL BE RETURNED BY CUSTOMER TO DEALER IMMEDIATELY UPON TERMINATION OF THE AGREEMENT FOR ANY REASON IN THE SAME CONDITION AS RECEIVED, NORMAL WEAR EXPECTED.

DISCLOSURES UNDER FEDERAL CONSUMER LEASING ACT. CUSTOMER ACKNOWLEDGES THAT PRIOR TO SIGNING THIS AGREEMENT HE HAS CAREFULLY REVIEWED THE LEASE SUMMARY INFORMATION SET FORTH AT THE BEGINNING OF THIS AGREEMENT, AND HAS SATISFIED HIMSELF CONCERNING THE TERMS AND PROVISIONS OF THIS AGREEMENT.

Dated: April 13, 2015 Effective when fully executed.

CUSTOMER: [Signature]  
(Signature)  
\_\_\_\_\_  
(Signature of Spouse)

DEALER: [Signature]  
By: [Signature]  
(Signature)

### TERMS AND CONDITIONS

1. **Purpose.** The purpose of this Tank Lease and Supply Agreement (the "Agreement") is to make available to Customer one or more LP-Gas tanks, meters, pumps, and related LP-Gas equipment as described above, to permit Customer to receive, store, and use LP-Gas products (Propane, Butane, etc.) sold and delivered by Dealer to Customer from time to time as needed or desired.

2. **Lease Period.** The term of the Agreement covers the time period from date of installation to the end of the initial lease period, as set out above. So long as Customer shall be in compliance with the provisions of this Agreement, including the timely payment of rent and satisfaction of all other obligations owed to the Dealer, this Lease shall be automatically renewed at the end of the Initial Lease Period for a one year or a one month period (as indicated above for the Renewal Lease Period) and thereafter for successive one year or one month periods.

3. **Rental.** Customer agrees to pay Dealer the rental fee as set out above on or before the first day of each rental payment period in advance. If rental payments are made monthly, rental for the period from the date of installation to the first day of the next month shall be payable upon execution of this Agreement. If rental payments are made yearly, rental for the period from the date of installation to the end of the initial lease period, or one full year if shorter, shall be payable upon execution of this Agreement. Dealer shall have the right to increase the rental at any time upon or after the expiration of the Initial Lease Period upon thirty (30) days advance notice in writing.

4. **Right of Cancellation.** Either party may cancel this Agreement at the end of the Initial Lease Period or any Renewal Lease Period upon thirty (30) days written notice in advance. In the event Dealer shall increase the rent as permitted hereinafter, Customer shall have the right, exercisable by written notice given to the Dealer within fifteen (15) days following receipt by Customer of the notice of rental increase to terminate this Agreement. Dealer shall have the right to terminate this Agreement at any time upon thirty (30) days written notice, and upon ten (10) days written notice in the event of any default hereunder. Dealer shall have the further right to terminate this Agreement immediately and without notice in the event Customer shall fail to make timely payment of the rental fees and other payment obligations or shall fail to pay in a timely manner any other sums for products or services agreed to be paid by Customer, or shall take such actions as to cause in violation of law or hazardous to persons and property. No termination or cancellation under the terms of the Agreement shall be effective until Dealer shall be afforded a reasonable opportunity for removal of the tanks and other leased equipment, and Customer shall remain responsible for the rental fees and safekeeping of the equipment until such time.

5. Use and Care of Equipment. Taxes. Customer shall use the leased equipment solely for the purposes set forth herein. Customer shall exercise all reasonable care and caution in the preservation and use of the equipment, and shall comply fully with all laws and regulations relating to the possession, use and maintenance of the leased equipment, including but not limited to the LP Gas Safety Rules of the Railroad Commission of Texas, 16 TAC chapter 9 (the "LP Gas Supply Rules"). Customer will not remove, deface, or obscure any name plate, decal, or other identifying marking or insignia on the equipment, nor any safety or operating data set forth on the equipment or on plates or tags attached thereto. Customer shall not tamper with, move, nor attempt any repair or maintenance on the equipment. Customer is fully responsible for notifying Dealer of any required maintenance. Such maintenance shall be performed by Dealer at Customer's expense unless attributed to normal wear and tear. Customer shall be responsible for all sales, use, ad valorem or other taxes, if any, imposed by any governmental authorities upon the leased equipment or its use during the Lease Periods. Dealer shall have the right to pay such taxes on behalf of Customer and to recover same from Customer upon written notice.

6. Loss and Damage. Customer shall be fully responsible for the care, preservation, security and safety of the leased equipment, at Customer's own expense, and shall return all leased equipment to Dealer upon final termination of this Agreement in the same condition as received, except for normal weathering, wear and tear. Customer expressly assumes all risks of loss or damage to the leased equipment from any cause. Customer shall have exclusive control of the leased equipment so long as it remains in Customer's possession, ~~and shall hold Dealer harmless from all claims for injury or damages, including attorney's fees, arising out of Customer's possession and use of the leased equipment. Such indemnity shall extend to any injury or damages, or claims thereof, arising from the conduct of others with respect to the leased equipment, Dealer, or any of the Dealer's employees and agents while acting within the scope of their employment.~~ GA  
TUF  
JDC

7. Installation. Removal. Dealer shall have full authority and responsibility for initial installation of the leased equipment, and Customer agrees to pay, with the deposit, the installation charge set forth above. So long as this Agreement is currently maintained and the leased equipment is maintained in good condition, then upon termination at the end of any lease period, the leased equipment shall be removed by the Dealer at no additional charge. Should Customer default hereunder or elect to cancel the Agreement at any time other than at the end of a lease period, the Dealer shall be entitled to the removal fee set forth above. In neither event, however, shall Dealer have any obligation for restoration or change to the premises. The installation obligations of Dealer are expressly limited to the installation of the leased LP-Gas tank, or tanks, regulators, and connections to the Customer's L.P. Gas piping and distribution system. Installation or modification by Customer of the LP-Gas distribution system or conversion of appliances is expressly excluded and must be the subject of a separate agreement if desired.

8. Substitutions. Dealer reserves the right to substitute other leased equipment from time to time. All costs related thereto shall be borne by Dealer unless such changes are made at the request of Customer or because of loss or damage to the equipment in Customer's possession. Any substitution of equipment shall be reflected by a written memorandum, executed by both parties and attached to this Agreement.

9. Warranties. Dealer warrants that he or it is the new owner of the Leased Equipment, and that so long as Customer shall timely comply with the requirements hereunder, including the requirement for timely payment of rental, Customer shall have quiet and peaceful possession thereof. Customer warrants that it is or they are the owners of the real property wherein the leased equipment is to be located; or, if not owner, Customer has secured express written consent and waiver of any claims from the owner.

10. Dealer's Interests. Customer acknowledges that Dealer, in entering into this Agreement, is not relinquishing any ownership right in the leased equipment, and that the leased equipment is and remains personal property belonging to Dealer at all times. Customer expressly grants unto Dealer the exclusive and irrevocable right to enter upon Customer's premises for the purpose of installing, servicing, filing, repairing, and removing, said leased equipment. This right shall exist independent of any other rights granted herein.

11. Payments and Notices. All rental payments, payments for gas used, and payments for other charges shall be mailed by first class U.S. Mail, or delivered in person, to Dealer at Dealer's address set forth above. All written notices shall be given by Customer to Dealer at Dealer's address set forth above. All written notices shall be given by Dealer to Customer at Customer's address set forth above. All written notices shall be deemed delivered on the second business day following the day of posting by Registered or Certified Mail, postage prepaid and addressed as directed herein. Notices may also be given in person by verbal or written communication and shall be effective upon delivery; provided, any verbal notice must also be followed immediately by written confirmation notice as provided herein. Either party may change the address at which notice shall be received by giving notice to the other party as provided herein. Such change of address shall be effective for all purposes seven (7) days after delivery of such notice.

12. Removal of Leased Equipment by Customer. Customer shall not remove the equipment from the premises described above without the express written consent of Dealer in advance. Any removal or attempted removal without such advance consent shall, at the option of Dealer, constitute a default hereunder.

13. Non-Assignability. This Agreement may not be assigned nor the leased equipment transferred, leased, or subleased, without express written consent of Dealer in advance.

14. Default. In the event Customer shall default in the timely payment of rent as provided herein, or shall default in the timely payment of any other sums owed by Customer to Dealer, or shall use the leased premises for the storage of LP-Gas products other than those supplied by Dealer, or shall permit the leased equipment to be lost or damaged, or shall use the leased equipment in a manner deemed hazardous by Dealer or contrary to any laws, rules or regulations, including but not limited to the LP-Gas Safety Rules, or shall take any other action which would or could jeopardize Dealer's interest in the leased equipment, or cause Dealer to reasonably believe that such interest is in jeopardy, then, in such event, Dealer, at its option shall have the right to declare this Agreement in default. In addition to any other remedies provided herein, in the event of any default Dealer shall have the right to enter on the premises immediately and seal or "lock off" the tank. Reconnection after termination of service is at the sole discretion of Dealer, and reconnection charge may be charged at the option of the Dealer. This Agreement shall not be in default, however, if the Customer uses the leased equipment temporarily for the storage of LP-Gas products supplied by the other Dealers during any emergency period when Dealer is unable to supply all of Customer's product needs.

15. Remedies. In the event of default as described above or default in the performance of any other duty or responsibility by Customer under this Agreement, Dealer, at its option, shall have the right to all remedies permitted by law and equity; including, but not limited to forfeiture of the Equipment Deposit, immediate termination of this Agreement and the recovery of possession of the leased equipment, and/or action for damages. In the event the leased equipment is removed from the premises or otherwise rendered unavailable or unusable, Dealer shall be entitled, in addition to any other damages otherwise permitted by law, to an amount equal to the fair market value of the leased equipment at the time of removal or lease termination. ~~In the event Dealer prevails, Dealer shall be entitled to recover all costs incurred, including costs of court, reasonable attorney's fees and other directly related costs to which Dealer may show itself entitled.~~ GA  
TUF  
JDC

16. Prior Leases. Upon the effective date of this Agreement, any and all other lease agreements between Dealer and Customer with respect to equipment leased hereunder are hereby mutually declared to be terminated and of no force and effect, except as they may relate to rights and obligations of the parties arising prior to the effective date of this Agreement.

17. Payment for LP Gas. Payment for all LP Gas and equipment delivered or service provided to Customer is due upon delivery. Customer agrees to pay for all LP Gas, equipment and service within ~~30~~ <sup>34</sup> days of delivery if a credit agreement is arranged prior to delivery. In the event Customer fails to make any payment due under this Agreement, Customer agrees that Dealer may assess a late charge or service charge, require a deposit, withhold future deliveries or remove the equipment from the premises. Late charges shall be assessed monthly, in the amount of 1% or the outstanding balance. The only exception to the requirement of prompt payment is a written agreement to the contrary between the parties. GA  
TUF  
JDC

18. Keep Full. Dealer will deliver LP Gas to Customer on a routine route on a "keep full" basis which means Customer agrees that Dealer has the right to fill Customer's tank(s) to capacity at the time of each routine route delivery. Dealer will use its best efforts to prevent Customer's supply of LP Gas from being exhausted, but shall not have any responsibility or liability for the exhaustion of Customer's LP Gas supply or for any direct or indirect consequences of such exhaustion. In addition, Dealer shall not have any responsibility or liability for any interruption, disruption or suspension of Customer's LP Gas supply, nor shall Dealer have any responsibility to make deliveries to Customer at any particular time.

19. Out of Gas. In the event Customer is "out of gas" through the fault of Customer, Customer will be assessed a service charge for a leak test of the LP Gas system. Adequate notice of delivery will be determined to be five (5) days before the outage. In the event the Customer

is "out of gas" through the fault of Customer, Dealer shall have the right to terminate the Agreement immediately and enter the premises and take possession of the aforesaid equipment without prior notice.

20. **Safety.** An odorant is added to LP Gas to provide a warning in the event of a leak. A hazardous situation may exist whenever the smell of odorant is present, even if the smell is faint. If the smell of LP Gas is detected, Customer agrees to immediately evacuate the building, shut the valve on the storage tank to the "Off" position and immediately contact Dealer or the public safety authorities (fire or police) from offsite so that any potential hazardous situation can be corrected.

21. **Access.** Customer grants Dealer full access to the premises for purposes of delivering LP Gas and for installing, maintaining, servicing, or removing the leased equipment. Customer shall bear any expense necessary to make the leased equipment accessible to Dealer.

22. **Clean Area.** Customer agrees to keep the area within ten (10) feet of the equipment clean and free from any ignitable material, including weeds and long dry grass.

23. **Taxes.** Customer shall report the equipment leased herein for ad valorem and personal property tax purposes and hereby agrees to assume and pay any such taxes levied upon or assessed against said equipment by the taxing authorities of the state, county and municipality wherein the leased equipment is installed.

24. **Force Majeure.** Customer agrees Dealer will not be held responsible for any failure to make deliveries or provide service which is prevented by adverse weather, failure of transportation facilities, shortages of supply, fire, riot, war, act of God, or any other cause beyond the reasonable control of Dealer.

25. "Customer" is a person(s) or business requesting or receiving services from Dealer. "Services" means LP Gas delivery, equipment installation, rental, removal and Dealer determined inspection and maintenance activities.

26. Dealer will perform a safety check of the Gas System and appliances associated with the use of LP Gas (i) prior to connection of service, (ii) prior to reconnection after a service interruption (when there has been a LP Gas outage) or (iii) at any other time as reasonably determined by Dealer.

27. The Gas System on the Premises shall remain the sole property of Dealer. The Gas System may only be used with LP Gas purchased from Dealer.

28. Dealer shall have the right at any reasonable time without notice to Customer to inspect, repair or remove the Gas System, without liability for any trespass or damage incurred thereby and without Customer being relieved from any of Customer's obligations to Dealer under this Agreement.

29. Customer is obligated to inform Dealer if there are any changes on the Premises (including the addition or deletion of LP Gas appliances) that may increase or decrease usage. Notwithstanding any special programs in effect for Customer, it is expressly understood and agreed that it shall be the responsibility of Customer to monitor the amount of LP Gas in the Gas System tank and to notify Dealer when Customer needs additional LP Gas.

30. Dealer shall not be liable for damages of any kind or nature resulting from failure to deliver LP Gas to Customer and/or failure to install or remove equipment for any reason.

31. Dealer shall not be liable for damage to any person or property incurred as a result of storm, flood, weather conditions, acts of God, strike, acts of war or terrorism, or any other cause beyond Dealer control or by any third party or governmental action.

32. Customer accepts and agrees to pay for all LP Gas delivered by Dealer at the price(s) and terms established by Dealer, plus all applicable taxes as well as all fees. Furthermore, all LP Gas sales are final upon delivery to Customer.

33. All accounts are subject to credit approval. In the event Customer's account is or becomes a COD account, Customer acknowledges and agrees that payment in full will be required prior to delivery of LP Gas or equipment.

34. Customer may be required to pay an initial \$200 deposit to Dealer upon account set up or at the time of a reconnection or interruption of gas supply. Within 90 days following termination of this Agreement, any such deposit will be returned to Customer or used to offset Customer's outstanding account balance, if any.

35. Customer shall maintain a current account balance at all times. If Customer's account is not paid timely, Customer agrees to pay the monthly late fee as set forth in paragraph 17. If Customer's account is not paid timely, any special pricing programs in effect for Customer shall terminate immediately.

36. Customer will be charged and Customer agrees to pay a returned check fee of \$25 for each check, draft or electronic funds transfer that is returned.

37. Except for loss or damage caused directly by the negligent or deliberate acts of Dealer's employees, contractors or agents, Customer assumes all risks and liabilities whatsoever related to or arising from possession or use of the LP Gas or the Gas System. ~~Customer hereby indemnifies and holds Dealer harmless from and against all liabilities, claims and expenses of every kind or nature related to or arising from the use of the LP Gas. Customer hereby indemnifies and holds Dealer harmless from and against all liabilities, claims and expenses of every kind or nature related to or arising from the use of the LP Gas.~~ TH SA JDC

38. The consumption of a minimum amount of LP Gas in each calendar year by Customer is part of the consideration for this Agreement. Customer agrees to pay a Minimum Use Amount as set forth above if Customer does not use at least the amount of LP Gas in a calendar year.

39. In recognition of the on-going cost incurred by Dealer for safe operations and the comply with the laws and regulations attendant to the providing of Services, Customer agrees to pay Hazardous Material (HAZMAT) Fees as set forth above. Hazardous Material (HAZMAT) fees do not represent a tax or fee paid to or imposed by any governmental authority, and Dealer will retain the entirety of the fees. These charges apply per delivery and as an annual fee as set forth above.

40. Customer agrees to pay all applicable fees and charges as set forth above. The Fees & Charges are subject to change by Dealer upon 30 days prior written notice to Customer.

41. Dealer may modify this Agreement and any of the terms and conditions hereof at any time upon 30 days prior written notice to Customer. Receipt, use or retention of LP Gas services or related equipment from Dealer after the effective date of any such modification shall be deemed to be Customer's consent to be bound by the modification Agreement or modified terms and conditions.

42. The provisions of the Agreement are severable. If any provision of the Agreement is, for any reason, invalid or unenforceable, the remaining provisions of this Agreement are valid and enforceable if the basic intent of the parties is still capable of being achieved.

43. Dealer's delay or failure to enforce any provision of this Agreement will not operate as a waiver or estoppel of Dealer's right to enforce any provision of this Agreement.