

REIMBURSABLE AGREEMENT

August 9, 2023

TC21127 – Landing Blvd – 1C3196

Location:

Tract Number - XXXXXX

Cost Center -----

Gentlemen:

Attached is a copy of a cost estimate dated June 1, 2023, totaling \$979,259.87. This represents ExxonMobil Pipeline Company LLC's (hereon referred to as EMPCo) current best estimate of the costs EMPCo expects to incur to TX-212a must be lowered in two separate locations (hereon referred to as "The Work" to allow your proposed work as detailed in Exhibit "A" across the idled Petrotex Valve-Chocolate Bayou TX-212A in League City, Harris & Galveston County, Texas.

By executing this letter, City of League City, whose address is 300 West Walker St, League City, TX 77573, agrees to reimburse EMPCo 100 percent of the actual cost to accomplish The Work described above and in the attached Exhibit "A". Actual costs consist of but are not limited to: 1) Company Labor, 2) Personal Expenses of Company Employees, 3) Materials, 4) Contact Labor and Equipment, 5) 3rd Party Charges, (6) Administrative Overhead, and (7) Payroll Burden. The established percentages and method of application for these charges are detailed on the estimate attached (form PL-659). By execution of this letter, the City of League City in no way agrees to reimburse EMPCo for any work other than The Work as described above.

Prior to performing The Work, the City of League City must submit a wire transfer or a check made payable to EMPCo for \$979,259.87 to the following lockbox address:

ExxonMobil Pipeline Company LLC
P.O. Box 74008338
Chicago, IL 60674-8338

PLEASE BE CERTAIN THAT YOUR CHECK SHOWS CUSTOMER NO. 493380, TO INSURE PROPER CREDIT.

Both parties agree that this is only an estimate and that actual costs of the project could exceed this amount. In the event EMPCo determines that the actual costs and expenses for The Work seem reasonably likely to exceed Nine Hundred Seventy-Nine Thousand Two Hundred Fifty-Nine Dollars and Eighty-Seven Cents (\$979,259.87), EMPCo shall cease The Work and promptly notify City of League City, 300 West Walker St., League City, TX 77573. The Work will continue after payment of the estimated overage is received by EMPCo and allocated to the proper project account. Upon completion of The Work, EMPCo shall provide City of League

City with an accounting of the actual costs and expenses incurred in performing The Work, along with reasonable documentation. Should the actual costs and expenses for The Work be less than the estimated cost, the difference shall be refunded to City of League City within 1 year of completion of The Work. Should the actual costs and expenses for The Work be greater than the estimated cost, City of League City shall remit the difference to EMPCo within ninety (90) days of the presentation of an invoice to City of League City by EMPCo showing the actual costs and expenses for The Work.

EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OF, OR BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CITY OF LEAGUE CITY, ITS CONTRACTORS, AGENTS, OR EMPLOYEES, EMPCO SHALL BE RESPONSIBLE FOR AND HOLD HARMLESS AND INDEMNIFY CITY OF LEAGUE CITY FROM AND AGAINST ALL CLAIMS, DEMANDS, OR CAUSES OF ACTION OF EVERY KIND AND CHARACTER ARISING IN CONNECTION WITH THIS AGREEMENT FOR RELEASE, THREATENED RELEASE, DISCHARGE, CONTROL OR REMOVAL OF POLLUTION, CONTAMINATION, OR ANY OTHER MATERIAL THAT ORIGINATES FROM EMPCO'S PIPELINE OR OPERATIONS OF EMPCO, ITS AGENTS, CONTRACTORS OR EMPLOYEES ON CITY OF LEAGUE CITY PROPERTY. EMPCO SHALL BE LIABLE FOR ANY AND ALL DAMAGES TO THE PERSONAL AND REAL PROPERTY OF CITY OF LEAGUE CITY BY REASON OF EMPCO'S ACTIONS OR OMISSIONS IN CONSTRUCTING, MAINTAINING, REPAIRING, REPLACING, OPERATING, USING OR REMOVING FROM CITY OF LEAGUE CITY 'S PROPERTY THE PIPELINE UNLESS DUE TO THE NEGLIGENCE, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT OF CITY OF LEAGUE CITY, ITS CONTRACTORS, AGENTS, OR EMPLOYEES. THIS PROVISION SHALL SURVIVE TERMINATION AND EXPIRATION OF THIS AGREEMENT.

Please return a **copy** of the check with this agreement fully executed, evidencing City of League City 's agreement to the terms contained herein, to:

ExxonMobil Pipeline Company
C/O Bradley Karasek
22777 Springwood Village Pkwy
E3.5A.555
Spring, Texas 77389

ACCEPTED AND AGREED TO THIS 26th DAY OF September, 2023.

Signatures appear on following page.

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City of League City

By: John Baumgartner MW

Name: John Baumgartner

Title: City Manager

original
copy



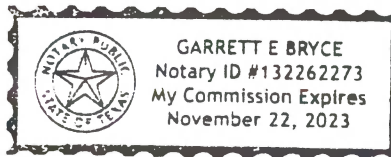
STATE OF Texas

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COUNTY OF Galveston

This instrument was acknowledged before me on the 8th day of August, 2023, by John Baumgartner, City Manager of City of League City, on behalf of said City of League City.

Garrett E Bryce
Notary Public

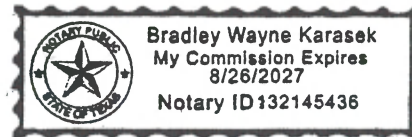


EXXONMOBIL PIPELINE COMPANY LLC

By: Clint Beck

Name: Clint Beck

Title: Mgr. ROW



STATE OF TEXAS

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COUNTY OF HARRIS

This instrument was acknowledged before me on the 26th day of September, 2023, by **Clint Beck**, Rights of Way & Claims Manager of ExxonMobil Pipeline Company LLC, on behalf of said company.

Bradley Wayne Karasek
Notary Public

Exhibit "A"

NASA Bypass & Landing Blvd Expansion ROX Conflict

Description

League City proposes to extend both NASA Bypass and Landing Blvd creating a conflict with pipeline TX-212a containing chemical grade propylene. Two proposed areas conflict with pipeline, the NASA Bypass drainage box and Landing Blvd retaining walls.

In order to construct, TX-212a must be lowered in two separate locations represented below in Table 1. Additionally, in both locations load calculations must be conducted for road construction using the proposed depth of coverage (DOC) after line is lowered. Line casing will be recommended should load calculations fail.

Cost estimate for work has been provided based on vendor quotes, matting estimate and engineering scope PRIOR to design review. **Cost may be subject to change depending on stress analysis report if required.**

Table 1: Details of line lowering for ROW conflict calculated using API 1117.

Location (GPS)	Description	Length of Conflict (ft.)	Depth to be Lowered (ft.)
293014.96N, 950737.98W	West Retaining Wall	241	5
293017.04N, 950738.03W	East Retaining Wall		
293009.82N, 950743.64W	Drainage Box	123	10

Table 2: Details of road construction & crossings calculated using API 1102.

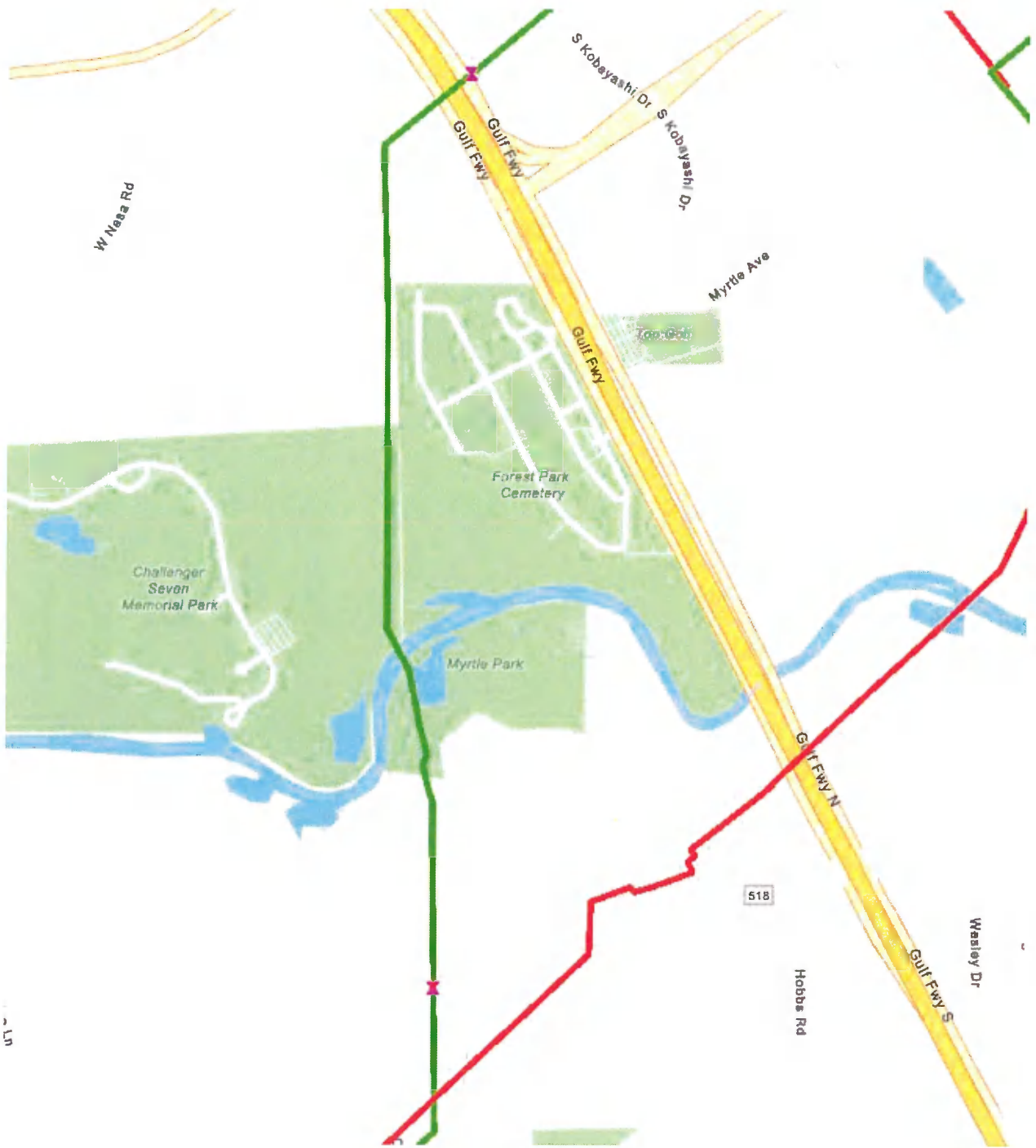
Location (GPS)	Description	Proposed DOC (ft.)	Pipeline Properties	Casing Recommended
293014.96N, 950737.98W	West Retaining Wall	26.5	OD 6.625 wt. 0.28 SMYS 35000 MOP 1440 Temp 70	NO
293017.04N, 950738.03W	East Retaining Wall	28		NO
293009.82N, 950743.64W	Drainage Box	18	OD 6.625 wt. 0.219 SMYS 52000 MOP 1440 Temp 70	NO

Scope

TX-212a will need to be flared from FM 518 Valve 3049 to HWY 45 Valve 3046 for a total of **353 bbls**. The line will be cut and lowered **using 45-degree bends in two separate**

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locations and tied back into the existing line. New piping will be welded in, coated and recommissioned.





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Figure 2. Drainage ditch conflict approximately 123 ft. in conflict.

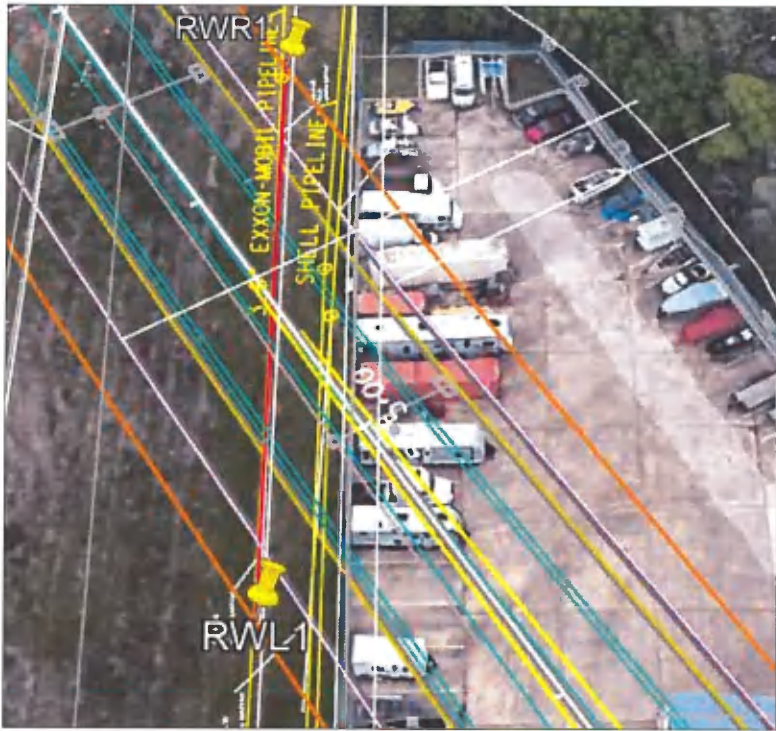


Figure 3. Retaining wall conflict approximately 241 ft. of pipe in conflict.

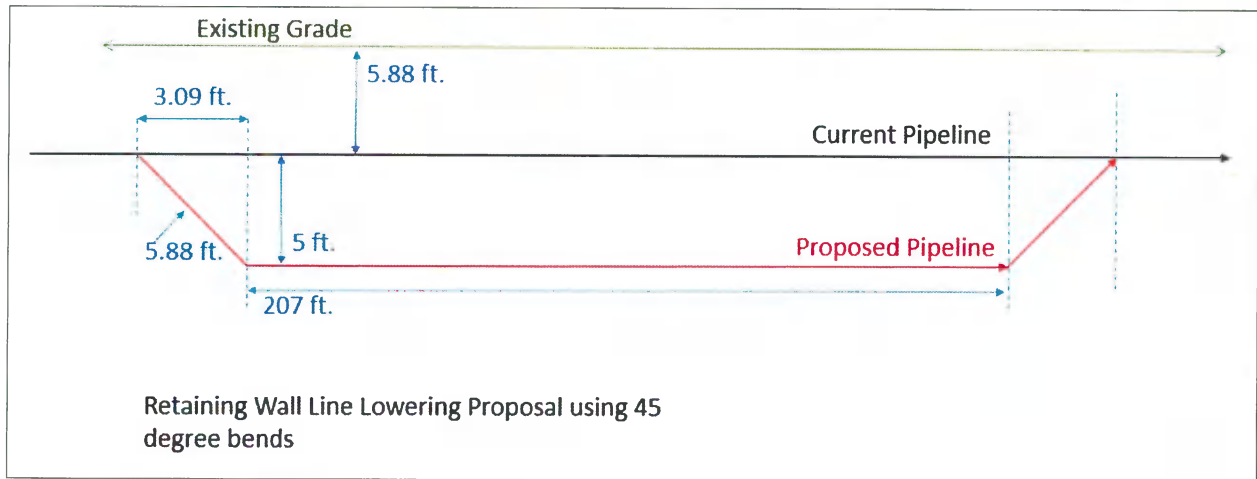


Figure 4. Proposed reldines to lower line below retaining walls conflict.

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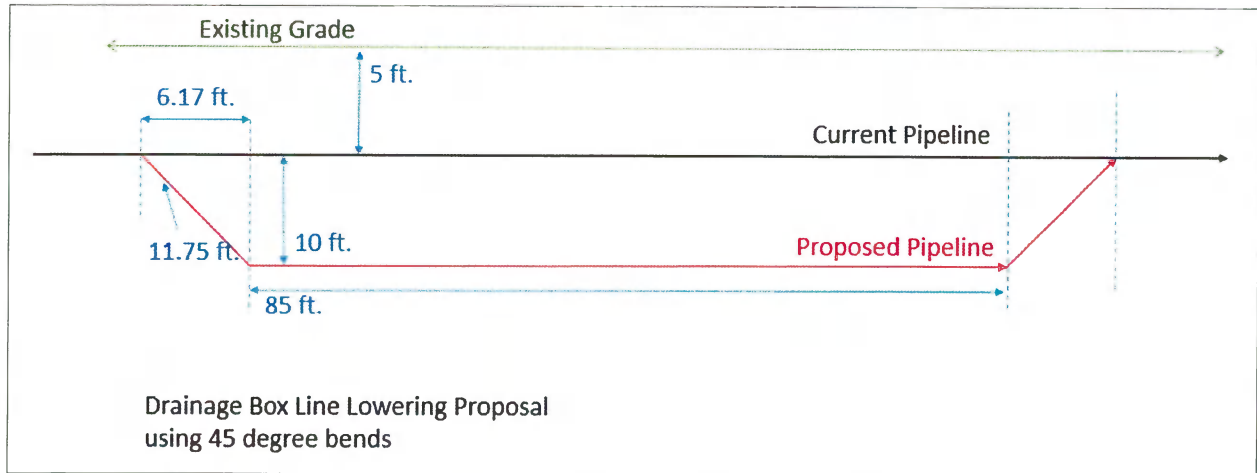


Figure 5. Proposed redlines to lower line below drainage box conflict.

EXXONMOBIL PIPELINE COMPANY
 ESTIMATE OF EXPENDITURES CHARGEABLE TO OTHERS
 NORMAL REIMBURSABLE PROJECT

DATE: 6/1/2023		AFE NO:	
LOCATION OF WORK:			
COMPLETE DESCRIPTION OF WORK TO BE PERFORMED & REASON:			
EXPENSES REIMBURSED BY:			
THIS ESTIMATE GOOD FOR 90 DAYS.			
QUANTITY	COMPANY LABOR	AMOUNT	TOTAL
2	DESCRIPTION	# DAYS	DAY RATE
	Tech Lead	24	\$ 300.00
		\$ 14,400.00	Quoted
			\$ 14,400.00
<i>PERSONAL EXPENSES OF COMPANY EMPLOYEES</i>			
	OUT-OF-TOWN EXPENSES	# DAYS	DAY RATE
	OTHER:		
			0
<i>COMPANY VEHICLE AND EQUIPMENT EXPENSE</i>			
2	DESCRIPTION	# DAYS	DAY RATE
	Vehicle	24	\$ 35.00
		\$ 1,680.00	Estimate
			\$ 1,680.00
<i>MATERIALS</i>			
364	PIPE (INCLUDING FREIGHT)	PER FOOT	
	6" Pipe	\$66.00	\$ 24,024.00
8	6" 45 degree bends	\$60.00	\$ 480.00
			Quoted
			Quoted
			\$ 24,504.00
	OTHER (INCLUDING FREIGHT)	PER UNIT	
			0

CONTRACT LABOR AND EQUIPMENT				AMOUNT	TOTAL
QUANTITY	ITEM	# DAYS	RATE		
	Decommissioning/Recommissioning Cost				
	Flaring for Decommissioning/Recommissioning		\$ 55,715.00	\$ 55,715.00	Quoted
	Nitrogen Decommissioning		\$ 28,570.00	\$ 28,570.00	Quoted
	Construction Labor				
1	Mechanical Labor	24	\$ 17,087.25	\$ 410,094.00	Quoted
	Construction Equipment & Material				
1	Hydrotest	1	\$ 1,839.00	\$ 1,839.00	Quoted
	Total			\$ 64,214.00	Lump Sum Quote
					\$ 560,432.00
<i>CONTRACT HAULING</i>					
		TRIPS	RATE		
					0
<i>MISCELLANEOUS ITEMS</i>					
	RIGHT OF WAY EXPENSES				
	LOSS OF PRODUCT			22000	
	PROPERTY DAMAGE EXPENSE				22000
	PAYROLL BURDEN & WELFARE EXPENSE (53.8% OF COMPANY LABOR)	14400		7747.20	7747.20
SUB-TOTAL					630763.20
	ADMINISTRATIVE OVERHEAD/PROFIT (35% of SUB-TOTAL)			220767.12	
					220767.12
SUB-TOTAL					851530.32
	CONTINGENCY 15 % OF SUB-TOTAL				127729.548
TOTAL ESTIMATED EXPENDITURES					979259.87
PREPARED BY:				100 % REIMBURSABLE	979259.868