

RELOCATION AGREEMENT

THIS AGREEMENT is between Atmos Energy Corporation (“Atmos”), 5420 LBJ Fwy, Suite 1800, Dallas, Texas 75240, and the City of Pflugerville (“Requestor” or “City”), located at 100 East Main St, Pflugerville, Texas 78691, and is effective as of the _____ day of _____, 2015.

RECITALS

1. Atmos currently owns, operates, and maintains a natural gas pipeline that is located in the City. The pipeline and appurtenances (the “Pipeline”) are located within an Atmos easement, which crosses the City’s Heatherwilde Widening Capital Improvement Project (“Project”). The easement is recorded in the official public records of Travis County, Deed Records, Texas.
2. Requestor is currently planning construction activities within the Project that will conflict with the Pipeline. Therefore, the Pipeline must be relocated. Within an agreed upon limitation, Requestor will reimburse Atmos the cost of relocating the Pipeline.
3. As part of the relocation of the Pipeline, Atmos must obtain another easement in which to construct, operate, and maintain the Pipeline. An Atmos replacement easement (“Replacement Easement”), attached hereto as Exhibit A, has been prepared by Atmos and must be executed by the landowner(s) in accordance with terms acceptable to Atmos and described in communication from Requestor to Atmos prior to relocation. Requestor has also agreed to fund the Replacement Easement acquisition costs.

NOW THEREFORE, in consideration of these recitals and the mutual promises in this Agreement, the sufficiency of which are acknowledged, Atmos and Requestor agree as follows:

1. Atmos has prepared a preliminary construction Cost Estimate and provided a copy to Requestor. It is estimated that it will cost approximately \$183,541 to relocate the Pipeline. The Cost Estimate is attached hereto as Exhibit B.

2. Requestor agrees to reimburse Atmos for actual cost to relocate the Pipeline based on the Cost Estimate provided in recital 1 above (City Council Resolution No. _____).

3. Requestor's reimbursement cost as described in recital 1 is the City's anticipated total cost toward the relocation of the Pipeline. , The City's reimbursement cost provided herein shall not exceed \$211,073 (115% of the Cost Estimate). In the event that the actual construction relocation costs exceeds the Cost Estimate in this recital, Atmos may seek additional funding. In no event shall Atmos be obligated to provide any funding within the City funded portion of the pipeline relocation.

4. Within thirty days following receipt by Atmos of a Replacement Easement executed by the landowner, Atmos will begin, or cause others to begin, the relocation of the Pipeline.

5. Within 90 days of completion of the relocation of the Pipeline, Atmos shall provide Requestor with a detailed invoice of the actual cost of the relocation of the Pipeline. Requestor shall pay Atmos the actual costs of the relocation of the Pipeline, subject to the limitation outlined above, and the cost of the Replacement Easement within 30 days of receipt of the Atmos Invoice.

6. Neither party to this Agreement may assign its rights or obligations under this Agreement to any person without the prior written consent of the other party to this Agreement. The provisions of this Agreement do not impart any rights enforceable by any person, firm, or organization not a party or an assignee of a party to this Agreement.

7. Any interpretation of this Agreement or any controversy related to this Agreement is governed by the laws of the State of Texas.

8. No waiver by either party of any one or more defaults by the other party in the performance of any provision of this Agreement operates as a waiver of any future default or defaults, whether of a like or different character.

9. This Agreement represents the entire agreement of the parties concerning the subject matter contained in this Agreement. No amendment or modification of this Agreement will be effective unless evidenced in writing signed by both parties to this Agreement.

SIGNED AS OF THE DATE FIRST WRITTEN ABOVE:

City of Pflugerville, Texas

Atmos Energy Corporation

By: _____

By: _____

Title: City Manager

Title: Right of Way Manager

Date: _____

Date: _____

EXHIBIT A
EASEMENT AND RIGHT OF WAY

THE STATE OF TEXAS

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KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF _____

That _____, hereinafter called "Grantor," whether one or more, for and in consideration of Ten and No/100 Dollars (\$10.00) and other valuable consideration to Grantor in hand paid by **ATMOS ENERGY CORPORATION**, a Texas corporation, 5420 LBJ Freeway, Suite 1800, Dallas, Texas 75240, hereinafter referred to collectively as "Grantee", has granted, sold and conveyed and by these presents does grant, sell and convey unto said Grantee, their successors and assigns, an easement and right-of-way for gas supply, supporting structures, surface mounted equipment, conduits, underground gas pipelines, cathodic protection equipment, aerial markers, and all necessary or desirable appurtenances over, under, through, across, and upon Grantor's land described as follows:

See Exhibit "A" attached hereto and made a part hereof for all purposes.

Grantor recognizes that the general course of said pipelines, or the metes and bounds as described above, is based on preliminary surveys only, and Grantor hereby agrees that the easement and right-of-way and its general dimensions hereby granted shall apply to the actual location of said lines when constructed.

Together with the right of ingress and egress along and upon said easement and right-of-way and over and across Grantor's adjoining properties for the purpose of and with the right to construct, inspect, maintain, operate, repair, remove, replace, reconstruct, abandon in place, and to change the size and capacity of said pipelines; the right to relocate along the same general direction of said pipelines; the right to relocate said pipelines in the same relative position to any adjacent road if and as such road is widened in the future; the right to prevent excavation within the easement area; the right to prevent construction of, within the easement area, any and all buildings, structures or other obstructions which, in the sole judgment of Grantee, may endanger or interfere with the efficiency, safety, and/or convenient operation of said pipelines and their appurtenances, and the right to trim or remove trees or shrubbery within, but limited to, said easement area, to the extent in the sole judgment of Grantee, as may be necessary to prevent possible interference with the operation of pipelines or to remove possible hazard thereto. Grantor shall not make changes in grade, elevation or contour of the land or impound water within the easement area as described above without prior written consent of Grantee.

Grantor reserves the right to use the land within the above described easement area for purposes not inconsistent with Grantee's use of such property, provided such use shall not, in the sole judgment of Grantee, interfere with the exercise by Grantee of the rights hereby granted.

TO HAVE AND TO HOLD the above described easement and right-of-way unto the said Grantee, its successors and assigns, until all of such pipelines shall be abandoned, and in that event said easement and right-of-way shall cease and all rights herein granted shall terminate and revert to Grantor or Grantor's successors, legal representatives and assigns; and Grantor hereby binds itself, its successors, legal representative and assigns, to warrant and forever defend the above described easement and right-of-way unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED this _____ day of _____, A.D. 20__.

GRANTOR (LANDOWNER): _____

STATE OF TEXAS §
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COUNTY OF §□

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the _____ day of _____, A. D. 20__.

Notary Public in and for the State of Texas
My Commission Expires: _____
Print Name: _____

STATE OF TEXAS

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COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act and deed of _____, as the _____ thereof, and for the purposes and consideration therein expressed and in the capacity therein stated, and that he was authorized to do so.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, A.D. 20____.

Notary Public in and for the State of Texas
My Commission Expires: _____
Print Name: _____

MATERIALS WITH STORES (ITEMS ORDERED THROUGH MCJUNKIN OR ON ATMOS POs)							
DESCRIPTION	SIZE	QTY	PRICE	UNIT	BASE COST	COST	
PIPE POLY 6 PE 3408 SDR11	6	1500	\$ 7	FT	\$ 10,613	\$	13,797
PIPE POLY 8 PE 3408 SDR11	8	1850	\$ 12	FT	\$ 22,291	\$	28,978
ELL BF 6 45 DEG PE 3408	6	2	\$ 23	EA	\$ 46.62	\$	60.61
ELL BF 6 90 DEG PE 3408	6	12	\$ 25	EA	\$ 295.94	\$	384.72
TEE BF 6 PE 3408	6	1	\$ 31	EA	\$ 30.95	\$	40.23
REDUCER BF 8 X 6 PE 3408 CENTRAL 691080621000	8	1	\$ 36	EA	\$ 36.39	\$	47.31
CAP BF 8 PE 3408	8	0	\$ 32	EA	\$ -	\$	-
ELL BF 8 45 DEG PE 3408	8	1	\$ 63	EA	\$ 62.62	\$	81.41
WIRE #10 CU YLW SOLID THHN 500FT	-	6	\$ 60		\$ 360.00	\$	468.00
MISC. PIPING MATERIALS		1	5%	EA	\$ 1,687	\$	2,193
MATERIALS WITH STORES SUBTOTAL					\$ 35,423	\$	46,050
					TAX (8.25%)	\$ 2,922	\$ 3,799
					FREIGHT (2.5%)	\$ 886	\$ 1,151
MATERIALS WITH STORES TOTAL					\$ 39,231	\$	51,001

CONTRACTOR MATERIALS (MATERIALS - WITHOUT STORES - ITEMS PURCHASED BY CONTRACTORS)							
DESCRIPTION	SIZE	QTY	PRICE	UNIT	BASE COST	COST	
MISC		0	\$ 100	EA	\$ -	\$	-
CONTRACTOR MATERIALS SUBTOTAL					\$ -	\$	-
					TAX (8.25%)	\$ -	\$ -
CONTRACTOR MATERIALS TOTAL					\$ -	\$	-

LAND COSTS							
DESCRIPTION	QTY	PRICE	UNIT	BASE COST	COST		
STATION SITE		\$ 20,000		\$ -	\$		-
LAND COSTS TOTAL					\$ -	\$	-

LAND RIGHTS							
DESCRIPTION	QTY	PRICE	UNIT	BASE COST	COST		
DAMAGES AND RESTORATION	0	\$ 1,000	EA	\$ -	\$		-
EASEMENTS - AGUILAR	1	\$ 1,000	EA	\$ 1,000	\$		1,300
EASEMENTS - CASH	1	\$ 7,200	EA	\$ 7,200	\$		9,360
EASEMENTS - BANCROFT	1	\$ 27,000	EA	\$ 27,000	\$		35,100
LAND RIGHTS TOTAL					\$ 35,200	\$	45,760

COMPANY LABOR (TOTAL DIRECT CAPITAL LABOR)							
DESCRIPTION	QTY	PRICE	UNIT	BASE COST	COST		
ENGINEERING / PROJECT MANAGEMENT	61.5	\$ 65	HR	\$ 3,998	\$		5,197
FIELD OPERATIONS		\$ 50	HR	\$ -	\$		-
CONSTRUCTION MANAGEMENT	7.25	\$ 70	HR	\$ 508	\$		660
ENVIRONMENTAL	14	\$ 35	HR	\$ 490	\$		637
RIGHT OF WAY AGENT		\$ 35	HR	\$ -	\$		-
FIELD CONSTRUCTION COORDINATOR (FCC)	132	\$ 50	HR	\$ 6,600	\$		8,580
MEASUREMENT GROUP - METER CHECK-OUT		\$ 70	HR	\$ -	\$		-
COMPANY LABOR TOTAL					\$ 11,595	\$	15,074

CONTRACT LABOR							
DESCRIPTION	QTY	PRICE	UNIT	BASE COST	COST		
CONTRACT ENGINEERING				\$ -	\$		-
SENIOR PROJECT ENGINEER	40	\$ 134	HR	\$ 5,340	\$		6,942
PROJECT MANAGER	20	\$ 131	HR	\$ 2,610	\$		3,393
ENGINEER	5	\$ 112	HR	\$ 558	\$		725
ENGINEERING TECHNICIAN	200	\$ 110	HR	\$ 21,900	\$		28,470
SENIOR CAD DESIGNER	225	\$ 108	HR	\$ 24,188	\$		31,444
PROJECT CONTROL SPECIALIST	2	\$ 111	HR	\$ 221	\$		287
CLERICAL	7	\$ 68	HR	\$ 473	\$		614
ROW AGENT (3RD PARTY)	280	\$ 100	HR	\$ 28,000	\$		36,400
FLARE SERVICE		\$ 3,500	DAY	\$ -	\$		-

ENVIRONMENTAL INSPECTION DURING CONSTRUCTION	\$	220	DAY	\$	-	\$	-	
ENVIRONMENTAL (SWPPP, PERMIT PREPARATION, CONSULTING, ETC)	\$	10,000	DAY	\$	-	\$	-	
ENVIRONMENTAL REVIEW (3RD PARTY)	\$	75	HR	\$	-	\$	-	
SURVEY CREW	1	\$	22,000	DAY	\$	22,000	\$	28,600
HOT TAP FABRICATION & INSTALLATION	\$	1,500	DAY	\$	-	\$	-	
TDW HOT TAP CREW	\$	1,500	DAY	\$	-	\$	-	
DRS SKID INSTALLATION AND PIPING HOOK-UP	\$	5,500	DAY	\$	-	\$	-	
PIPELINE CONSTRUCTION	1	\$	190,000	TOTAL	\$	190,000	\$	247,000
PAINTING (SANDBLAST, PRIME, AND FINISH)	\$	8,500	DAY	\$	-	\$	-	
FENCE & VEHICLE BARRICADES	\$	12,000	DAY	\$	-	\$	-	
GRAVEL SITE AFTER INSTALLATION	\$	6,000	DAY	\$	-	\$	-	
ACCESS ROAD	\$	100,000	DAY	\$	-	\$	-	
CONSTRUCTION INSPECTOR (3RD PARTY)	\$	50	HR	\$	-	\$	-	
NDT COMPANY (X-RAY)	\$	1,500	DAY	\$	-	\$	-	
CONTRACT LABOR TOTAL					\$	295,289	\$	383,875

OTHER COSTS								
DESCRIPTION	QTY	PRICE	UNIT	BASE COST	COST			
COST OF GAS LOST (I.E. FLARE GAS)		\$	10,000	EA	\$	-	\$	-
OTHER THINGS THAT DON'T FIT ANYWHERE ELSE		\$	10,000	EA	\$	-	\$	-
OTHER COSTS				\$	-	\$	-	

DIRECT COST OVERHEADS					
DESCRIPTION		BASE COST	COST		
DIRECT OVERHEADS TOTAL		\$	7,250	\$	9,425

TOTAL DIRECT COSTS **\$** **388,565** **\$** **505,134**

INDIRECT COSTS					
DESCRIPTION		BASE COST	COST		
TOTAL INDIRECT COSTS		\$	113,298	\$	147,287

TOTAL DIRECT AND INDIRECT COSTS **\$** **501,862** **\$** **652,421**

ESTIMATED TOTAL PROJECT COST (CAPITALIZED)	\$	501,862	\$	652,421
INTEREST CARRYING CHARGE (0.0% OF NON-CAPITALIZED)	\$	-	\$	-
FRANCHISE FREE (4.0%)	\$	20,074.50	\$	26,096.84
TOTAL COSTS ASSOCIATED WITH PROJECT (CAPITALIZED AND NON-CAPITALIZED)	\$	521,937	\$	678,518

TOTAL AMOUNT TO BE REIMBURSED BY THE CITY OF PFLUGERVILLE (SEE NOTES 10 & 11) **\$** **183,541**

NOTES:

1. CONSTRUCTION ESTIMATE PRIOR TO ACTUAL CONSTRUCTION BIDS; COSTS BASED ON RECENT ATMOS ENERGY JOBS WITH SIMILAR SCOPES OF WORK.
2. ONE GENERAL CONTRACTOR FROM INCEPTION TO COMPLETION AND PRICES CONTINGENT ON AVAILABILITY OF CONTRACTOR AT TIME OF AWARD.
3. ESTIMATE DOES NOT INCLUDE COSTS FOR HOLDING SCHEDULE IN EXTREME WEATHER CONDITIONS.
4. CONSTRUCTION ESTIMATE DOES NOT INCLUDE COSTS ASSOCIATED WITH SWPPP PERMITTING.
5. CORPORATE OVERHEAD RATE VARIES AT TIME OF ITEM COST.
6. ENVIRONMENTAL COSTS ARE BASED ON PREVIOUS ATMOS ENERGY JOB WITH SIMILAR SCOPE OF WORK.
7. SOURCE OF CONSTRUCTION COST IS ATMOS CONSTRUCTION SERVICES.
8. SURVEY COSTS BASED ON PREVIOUS ATMOS ENERGY JOB WITH SIMILAR SCOPE OF WORK.
9. CONSTRUCTION MANAGEMENT PROVIDED BY ATMOS ENERGY.
10. 515 LINEAR FEET (17%) OF THE PROJECT IS LOCATED IN AN EXISTING UTILITY EASEMENT AND WILL BE 100% REIMBURSED: TOTAL RELOCATION REIMBURSEMENT = \$101,381.
11. LAND RIGHTS AND 3RD PARTY ROW AGENT COSTS ARE 100% REIMBURSABLE: TOTAL EASEMENT ACQUISITION REIMBURSEMENT = \$82,160.