

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement ("Agreement") made this _____ day of _____, 2013, by and between **ATMOS ENERGY CORPORATION**, a Texas and Virginia corporation, having a business address at 5420 LBJ Freeway, Suite 1800, Dallas, Texas 75240 ("Atmos") and the **CITY OF ROUND ROCK**, a Texas home-rule municipal corporation, having a business address at 221 East Main Street, Round Rock, Texas ("CORR").

WITNESSETH:

WHEREAS, CORR is in the process of widening and improving Chisholm Trail, at the location depicted in Exhibit "A", attached hereto (the "Project"); and

WHEREAS, Atmos has a gas line that is in conflict with the Project; and

WHEREAS, CORR has requested that Atmos relocate or cause to be relocated their gas line to accommodate Project; and

WHEREAS, Atmos has agreed to the relocation it facilities as shown on the plans attached hereto as Exhibit "B" and made a part hereof ("Relocation Services") and has prepared a good faith cost estimate set forth on Exhibit "C" attached hereto and made a part hereof ("Estimate"); and

WHEREAS, CORR agrees to reimburse Atmos for the actual expenses incurred by Atmos related to the Relocation Services requested by CORR.

NOW, THEREFORE, in consideration of mutual promises contained herein, the parties agree as follows:

1. Atmos agrees to provide the Relocations Services to relocate approximately 500 feet of 6-inch poly gas pipeline and install necessary bypasses to maintain service during tie-ins The starting date will be fixed by mutual agreement of the parties hereto and Atmos shall use commercially reasonable efforts to complete the Relocation Services in accordance with the Schedule, subject however, to delays caused by persons or events outside the reasonable control of Atmos.
2. The actual cost of the relocation is estimated to be **93,559.00**. CORR agrees to reimburse Atmos the actual costs of the Relocation Services, an amount estimated to be **\$93,559.00**. Atmos shall submit to CORR a detailed written report itemizing the total costs incurred, including all supporting information documenting all amounts incurred for which reimbursement is claimed and verifying that the Relocation Services are in accordance with the requirements of this Agreement and that any change orders increasing the cost for the Relocation Services above the threshold described below were submitted and approved by CORR prior to incurring such additional costs. Upon completion of the Relocation Services, Atmos shall present CORR with a detailed invoice

of the actual Relocation Services performed and CORR agrees to make, within thirty (30) days from the date of the properly detailed invoice, a one-time reimbursement payment of the actual costs. In the event, after actual solicitation of bids, the estimated costs of the Relocation Services exceed the Estimate by 10% or more, then, prior to incurring such additional expense, Atmos shall submit the additional costs to CORR for approval, which approval shall not be unreasonably withheld, delayed, or conditioned. Any request for approval made by Atmos in writing and not specifically approved or disapproved within fifteen (15) business days shall automatically be deemed approved by CORR. Neither enhancement nor betterment costs shall be reimbursed by CORR.

3. The obligation of CORR to make a cost reimbursement payment under this Agreement does not constitute a general obligation or indebtedness of CORR for which CORR is obligated to levy, pledge or collect any form of taxation.
4. The parties agree to exercise all due caution while causing any work to be done near the gas line in order to prevent damages to the gas line.
5. Notwithstanding any other provisions of this Agreement, in no event shall either party be liable to the other for any indirect, consequential or incidental damages, including but without limitation, loss of revenue, loss of customers or loss of profits arising from the Agreement and the performance or non-performance of obligations hereunder.
6. Atmos agrees to indemnify and hold harmless CORR, its agents and employees, against and from any and all liability, loss and expense and shall defend all claims, resulting from the loss of life or damage or injury to persons or property directly or indirectly resulting from the work performed by Atmos to the extent such loss, damage or injury, is caused by the negligence or willful misconduct of Atmos or its agents or arises out of or in connection with the Relocation Services. As a necessary condition for such indemnity to be enforceable against Atmos:
 - (i) Atmos shall be notified in writing promptly of any and all claims, liability, loss and expense for which CORR seeks indemnification from Atmos, and
 - (ii) Atmos shall have sole control of the defense of any and all claims, liability, loss and expense and all negotiations for their settlement or compromise.
7. This Agreement shall be enforceable in Round Rock, Williamson County, Texas, and if legal action is necessary by either party with respect to the enforcement of any or all of the terms or conditions herein, exclusive venue for the same shall lie in Williamson County, Texas. This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas.

8. No party may assign its rights and obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, it is understood that Atmos intends to contract the Relocation Services work to a general contractor, which will in turn may subcontract all or part of the Relocation Services.
9. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective heirs, executors, administrators, personal representatives, legal representatives, successors and assigns, subject to the provisions of Section 8.
10. In case any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect, such validity, illegality, or unenforceability shall not affect any other provisions of the Agreement, and this Agreement shall be constructed as if such invalid, illegal, or unenforceable provision had never been contained in the Agreement.

Effective date of agreement as of date of approved by the City Council:

CITY OF ROUND ROCK

ATMOS ENERGY CORPORATION

By: _____
Alan McGraw, Mayor

By: _____
Its: _____

ATTEST:

By: _____
Sara White, City Clerk

APPROVED AS TO FORM:

By: _____
Stephan Sheets, City Attorney