

AGREEMENT FOR CONSTRUCTION AND CONNECTION OF SEWER LINE

This agreement ("Agreement") effective this ___ day of _____, 2008, between BP AMOCO CHEMICAL COMPANY, a Delaware corporation, whose address is 2800 FM 519 East, Texas City, Texas 77590 ("Property Owner"), and the CITY OF TEXAS CITY, a municipal corporation organized and existing under the laws of the State of Texas, whose address is 1801 9th Avenue North, Texas City, Texas 77590 ("City").

RECITALS

- A. Property Owner owns the Texas City Chemical Plant site sanitary sewer collection system ("TCC Collection System").
- B. Property Owner desires to have a sanitary sewer line constructed to connect its facilities to the sanitary sewerage collection system of City ("Sewer Line").
- C. Property Owner desires to have a new Lift Station and Forced Main ("Pumping System") designed to connect the TCC Collection System to the new Sewer Line. Property Owner will construct the new Pumping System.

In consideration of the matters described above, and of the mutual benefits and obligations set forth in this agreement, the parties agree as follows:

1. Approved Plans. Subject to approval by Property Owner, City will cause to be prepared the necessary engineering and preparation of plans and specifications for the construction of the Pumping System and Sewer Line, which are to be of adequate size to connect the Property Owner's facilities to the sanitary sewerage collection system of City. The Sewer Line will be constructed in accordance with applicable governmental standards and subject to receipt of any applicable permits required from governmental agencies.
2. Approved Contractor. City shall submit the approved plans for construction of such Sewer Line from an Engineer approved by Property Owner. Property Owner will review and approve such plans prior to City proceeding with obtaining construction bids. City will obtain construction bids in accordance with City and State competitive bidding requirements.
3. Consideration. Property Owner shall pay to City, the actual and reasonable cost to construct the Sewer Line, a sum not to exceed \$492,500.00. Monthly payments shall be made based on actual progress of the design and/or construction. Progress will be determined by the City's Engineer and agreed by the Property Owner. If construction bids received should indicate that this sum may be exceeded to complete the intended construction, Property Owner and City will mutually agree on whether to proceed with construction and if any additional funds may be required from Property Owner to complete the construction.

4. Ownership of Sewer Line. City shall retain ownership of and be responsible for the maintenance of the Sewer Line, but no liability shall attach to City as a result of any malfunction of such system.
5. Compliance with Laws. City and Property Owner shall comply with all existing ordinances of City relating to the construction of the Sewer Line and connection to and use of the sanitary sewer system of City, provided, that Property Owner shall not be liable for any connection fees.
6. Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Texas.
7. Entire Agreement. This Agreement constitutes the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding on either party except to the extent incorporated in this Agreement.
8. Modification of Agreement. Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.
9. No Waiver. The failure of either party to this Agreement to insist on the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.
10. Effect of Partial Invalidity. The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. If any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.
11. Attorneys' Fees. If any action is filed in relation to this Agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the attorneys' fees of the successful party.
12. Section Headings. The titles to the sections and paragraphs of this agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this agreement.
13. Notices. Any notice provided for or concerning this Agreement shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail if sent to the respective address of each party as set forth at the beginning of this Agreement.

14. Excusable Delay. Neither party to this Agreement shall be liable to the other for any loss, cost, or damage, arising out of, or resulting from, any failure to perform in accordance with the terms of this Agreement where such failure shall be beyond the reasonable control of such party, which, as employed in this Agreement, shall be deemed to mean, but not be limited to, acts of God, strikes, lockouts, or other industrial disturbances, wars, whether declared or undeclared, blockades, insurrections, riots, governmental actions, explosions, fire, floods, earthquake, or any other cause not within the reasonable control of either party.

Each party to this Agreement has caused it to be executed on the date(s) indicated below, but effective the date first above written.

BP PRODUCTS NORTH AMERICA INC.

By: _____

Name: _____

Title: _____

Date: _____

THE CITY OF TEXAS CITY

By: _____

Name: _____

Title: _____

Date: _____