

PIPELINE ALTERATION AGREEMENT

STATE OF TEXAS

COUNTY OF HIDALGO

THIS PIPELINE ALTERATION AGREEMENT (the "Agreement") is made and entered into this \_\_\_\_\_ day of August, 2011 by and between TEXAS EASTERN TRANSMISSION, LP, a Delaware limited partnership, having its principal office at 5400 Westheimer Court, Houston, Texas 77056 (hereinafter referred to as "TETLP"), and COUNTY OF HIDALGO, acting by and through its Commissioners' Court, duly authorized to do business in Hidalgo County, Texas, with its principal office at 1615 S. Closner, Suite J, Edinburg, Texas 78539 (hereinafter referred to as "COUNTY"), with a copy to: Hidalgo County Precinct No. 2, 300 W. Hall Acres, Suite G, Pharr, Texas 78577.

WITNESSETH:

WHEREAS, TETLP owns and operates a thirty-inch (30") diameter pipeline and appurtenances thereto (hereinafter referred to as the "Pipeline") located in Hidalgo County, Texas, pursuant to easements previously acquired by TETLP and recorded in Volume 866, Page 596, and Volume 868, Page 138 of the Deed Records of Hidalgo County, Texas (hereinafter referred to as "Easement"); and

WHEREAS, COUNTY plans to develop or make changes to certain real property in Hidalgo County, Texas (the "Property"), which is affected and covered by the Easement; and

WHEREAS, the development and/or construction plans of COUNTY will necessarily require adjustment, alteration, replacement and/or relocation of a portion of the Pipeline and COUNTY has requested TETLP to so adjust, alter, replace and/or relocate the Pipeline; and

WHEREAS, TETLP is willing to adjust, alter, replace and/or relocate the Pipeline, subject to the provisions and conditions expressed herein.

NOW, THEREFORE, in consideration of the premises and of the terms and conditions hereinafter set forth, the parties hereto agree, each with the other, as follows:

I

PIPELINE ADJUSTMENT

TETLP does hereby agree that, subject to the terms and conditions of this Agreement, TETLP will extend the existing casing twenty (20') feet on the north and south side of El Gato Road with thirty six (36") inch split casing (hereinafter referred to as "Pipeline Adjustment") in accordance with that drawing attached hereto as Exhibit "A" and made a part hereof for all purposes herein. After this Pipeline Adjustment, TETLP shall be under no obligation to effect any further adjustment across the aforementioned Property.

COUNTY agrees to reimburse TETLP for all direct and indirect costs (hereinafter referred to collectively as the "Cost") incurred by TETLP for the Pipeline Adjustment. Such Cost shall include, but shall not be limited to, all permits, consideration for new right of way grants, allowance for funds used during construction, materials, labor, licenses, fees and any and all other costs and expenses of any type or nature. Reimbursement of the Cost shall be made in accordance with Article IV of this Agreement.

II

PROSECUTION OF THE WORK

It is agreed that TETLP, in performing the Pipeline Adjustment, will conduct such operations in a good and workmanlike manner and with such materials as will conform to all applicable pipeline construction requirements now imposed by applicable federal, state, and local regulations and ordinances relating to such construction. TETLP hereby agrees to hold COUNTY harmless against any and all claims, suits, judgments and damages arising out of or in connection with the Pipeline Adjustment attributable to the negligence of TETLP, its employees or agents.

III

PERMITS AND CERTIFICATES

COUNTY agrees to cooperate with TETLP in every way possible to make application for and obtain all necessary use and occupancy permits, licenses or grants of any nature whatsoever required or imposed by any governmental body or other party with respect to the Pipeline, including, but not limited to, executing appropriate consents and authorizations and supporting and/or joining in any and all applications for certificates and authorizations to operate the adjusted, altered, replaced and/or relocated Pipeline as may be filed by TETLP with any state, local or federal authority having regulatory or

supervisory jurisdiction over the Pipeline.

IV

PAYMENT REIMBURSEMENT

TETLP has estimated that the Cost of the Pipeline Adjustment will be approximately Eighty-Five Thousand Dollars (\$85,000.00). The Cost shall not be considered a maximum, minimum, or guarantee for the work associated with this Agreement and COUNTY agrees to reimburse the entire actual Cost, both direct and indirect, incurred by TETLP. Such cost shall include, but not be limited to, all permits, allowance for funds used during any associated construction, materials, labor, administrative overhead, services, licenses, fees, loss of gas, right of way grants, changes in scope or operation and any and all other costs, burdens and expenses of any type of nature. COUNTY further agrees to pay all reasonable attorney's fees should this Agreement be placed in the hands of an attorney for collection or should it be collected through any court. TETLP agrees to provide supporting invoices and/or documents for any amount requested from COUNTY as charges and/or reimbursement from said COUNTY.

COUNTY agrees to prepay Twenty-Five Thousand Dollars (\$25,000.00) to TETLP prior to the commencement of the Pipeline Adjustment. Within one hundred eighty (180) days after completion of the work contemplated in this Agreement, TETLP shall use reasonable efforts to deliver a final invoice for any outstanding cost incurred by pursuant to this Agreement including all termination costs. COUNTY agrees to reimburse TETLP for any amounts due within thirty (30) days of the invoice date. Any invoice reflecting credit balances due COUNTY will be accompanied by a check from TETLP for the credit amount.

Should COUNTY fail to pay part or all of the amount of any invoice for service provided when such amount is due, TETLP may charge interest on the unpaid portion of the invoice computed from such due date until the date of payment at the rate of interest and in the manner prescribed for pipeline refunds as set forth in Section 154.67 (c) of the Federal Regulatory Commission's Regulations under the Natural Gas Act.

For a period of one (1) year after completion of the work, COUNTY shall have the right to audit TETLP's books and records directly relating to the work. Should such audit reveal any errors or inaccuracies, a proper correction or adjustment shall be made as promptly as practicable thereafter. Any

such audit shall be conducted at TETLP's office in Houston, Texas during TETLP's business hours. The COUNTY's right to audit does not reduce the responsibility of the COUNTY to pay TETLP invoices in full within the thirty (30) day period required.

V

PRIOR EASEMENT

Except as provided for in Article I, nothing herein shall be deemed to alter, modify, or amend the terms, conditions, and provisions of the original Easement. This Agreement shall be binding upon, and shall accrue to the benefit of, the parties hereto, their successors, and assigns. This Agreement represents the full agreement of the parties and may only be altered by a written amendment executed by both parties.

VI

TEXAS LAW TO APPLY

This Agreement shall be construed under and in accordance with the laws of The State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas. Parties hereby consent to personal jurisdiction in Hidalgo County, Texas.

VII

COMMITMENT OF REVENUES ONLY

In the event that, during any term hereof, the governing body of any party does not appropriate sufficient funds to meet the obligations of such party under this Agreement, then any party may terminate this Agreement upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of each party hereto pursuant to the provisions of Tex. Loc. Govt. Code Ann. 271.903. Should termination occur after Pipeline Adjustment has begun, TETLP shall be entitled to full compensation for all cost incurred of said Pipeline Adjustment work completed as of the termination date including any work deemed necessary by TETLP to return the pipeline to safe operation.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Agreement to be executed on the day and year first above written.

ATTEST:

TEXAS EASTERN TRANSMISSION, LP  
By: Spectra Energy Transmission Services, LLC  
Its General Partner

\_\_\_\_\_

By: \_\_\_\_\_  
Gregory P. Bilinski  
Vice President

ATTEST:

COUNTY OF HILDAGO  
Commissioners' Court

\_\_\_\_\_

By: \_\_\_\_\_

Document Prepared by and Return to:  
SPECTRA ENERGY TRANSMISSION, LLC  
Land & Right of Way Dept.  
5400 Westheimer Court  
Houston, Texas 77056

STATE OF TEXAS           §  
  §  
COUNTY OF HARRIS       §

On this \_\_\_\_\_ of \_\_\_\_\_, 2011 before me, the undersigned Officer, personally appeared Gregory P. Bilinski, known to me as the Vice President of Spectra Energy Transmission Services, LLC, a Delaware limited liability company, which is the general partner of Texas Eastern Transmission, LP, a Delaware limited partnership, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the company by himself as such officer.

IN WITNESS WHEREOF, I hereunder set my hand and official seal.

\_\_\_\_\_  
Notary Public of the State of Texas  
My commission expires: \_\_\_\_\_

STATE OF TEXAS           §  
  §  
COUNTY OF HIDALGO   §

On this \_\_\_\_\_ of \_\_\_\_\_, 2011 before me, the undersigned \_\_\_\_\_,  
personally appeared \_\_\_\_\_, known to me to be the  
person whose name is subscribed on the foregoing instrument, and that he, being authorized to  
do so, executed the foregoing instrument for the purposes therein contained by signing his name.

IN WITNESS WHEREOF, I hereunder set my hand and official seal.

\_\_\_\_\_  
Notary Public of the State of Texas  
My commission expires:\_\_\_\_\_