

## REIMBURSEMENT AGREEMENT

This Reimbursement Agreement (this “**Agreement**”) is made and entered into as of \_\_\_\_\_, 2025 (the “**Effective Date**”), by and between EMBARCADERO WATER SUPPLY COMPANY, LLC, a Texas limited liability company (the “**Owner**”) and the CITY OF LAREDO, TEXAS (the “**City**”), acting by and through the City Manager, duly authorized to execute this Agreement on behalf of the City of Laredo, for the purposes and consideration herein expressed.

### RECITALS:

A. Owner is the owner of certain real property in Laredo, Webb County, Texas, as more particularly described on Exhibit A attached hereto and incorporated herein for all purposes (the “**Property**”).

B. Owner intends to perform the work to remove and reconstruct certain improvements related to its water intake infrastructure on the Property, as more fully described on Exhibit B attached hereto and incorporated herein for all purposes and as depicted on the site plan on Exhibit C attached hereto and incorporated herein for all purposes (the “**Work**”), that will be impacted by the expansion of the World Trade Bridge adjacent to the Property (the “**Project**”).

C. Owner will engage one or more consultant(s) including but not limited to engineers, surveyors, and testing companies with respect to the Project, as set forth herein.

D. Owner will engage one or more contractor(s) to perform the Work with respect to the Project, as described herein.

E. City agrees to reimburse Owner for its costs associated with the Work pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and City agree as follows:

### AGREEMENT

1. Reimbursement. Upon completion of the Work, Owner shall submit the following to the City: (1) a certificate of substantial completion of the Work from the engineer for the Project (the “**Project Engineer**”) certifying that the Work has been substantially completed in accordance with the plans and specifications; (2) a request for the total sum of the Costs (as defined hereinafter) of the Work; and (3) copies of all of the invoices, applications for payment or other statements related to the Costs of the Work. “**Costs**” means 100% of the cost of materials, labor, engineering fees and other professional fees and other direct costs actually paid by Owner with respect to the Work for the Project. The City agrees to waive any and all permit and inspection fees, if any, required for the Work. The City shall review the information from Owner required for the reimbursement of the Costs of the Work and, within thirty (30) days

of its receipt thereof, send a payment in the amount of the total sum of the Costs of the Work (the “**Reimbursement**”) to Owner.

2. Term. This Agreement shall commence as of the date hereof and shall terminate on the date that the Work is completed, as evidenced by a certificate of substantial completion from the Project Engineer, and the Reimbursement due from the City to Owner is paid in full.

3. Representations. The City hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with the City Charter and City Ordinances. The Owner hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with its governing documents.

4. Miscellaneous.

(a) Binding Effect. This Agreement is binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

(b) Entire Agreement. This Agreement represents the entire agreement between the parties hereto and supersedes all prior and contemporaneous agreements, representations and undertakings regarding the subject matter hereof, whether oral or written.

(c) Notices. All notices or other communications required or permitted to be given pursuant to this Agreement must be in writing and will be deemed delivered at the time of (i) three (3) business days after deposit in a depository receptacle under the care and custody of the United States Postal Service, properly addressed to the designated address of the addressee as set forth below, postage prepaid, registered or certified mail with return receipt requested, (ii) delivery to the designated address of the addressee set forth below by a national third party commercial delivery service, whether by overnight delivery or by courier, or (iii) receipt at the facsimile receiving facility of the addressee if transmitted by facsimile transmission. Notice given in any other manner will be effective only if and when received by the addressee. A party may send a copy of any notice by electronic mail as well. For purposes of notices, the addresses, and facsimile numbers of the parties are as follows:

OWNER:

Embarcadero Water Supply Company, LLC  
Attn: Charles F. Hedges, Jr.  
6101 Holiday Hill Road  
Midland, Texas 79707  
Telephone: (512) 327-8800  
Facsimile: (432) 687-2509  
E-mail: [bills@forl.com](mailto:bills@forl.com) with a copy to [brittanys@forl.com](mailto:brittanys@forl.com)

CITY:

City of Laredo  
Attn:  
\_\_\_\_\_  
\_\_\_\_\_  
Laredo, Texas \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
E-mail: \_\_\_\_\_

Any party has the right to change its address and facsimile numbers for notice hereunder to any other location within the continental United States by giving Notice to the other party of such new address at least thirty (30) days prior to the effective date of such new address.

(d) Counterparts. To facilitate execution, this Agreement may be executed in any number of counterparts as may be convenient or necessary, and it shall not be necessary that the signatures of all parties hereto be contained on any one counterpart hereof. Additionally, the parties hereto hereby covenant and agree that, for the purpose of facilitating the execution of this Agreement, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts, and (ii) a facsimile transmission of a signature shall be deemed to be an original signature. All executed counterparts of this Agreement shall be deemed to be originals, but all such counterparts taken together or collectively, as the case may be, shall constitute one and the same agreement.

(e) Amendment. This Agreement may only be amended by a written instrument executed by the parties hereto.

(f) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas and the applicable ordinances of the City of Laredo.

(g) Assignment. This Agreement may not be assigned by either party hereto without the express written consent of the other party, which shall not be unreasonably withheld, conditioned or delayed.

(h) Attorneys' Fees. Should any party employ an attorney or attorneys to enforce any of the provisions hereof, to protect its interest in any manner arising under this Agreement, or to recover damages for the breach of this Agreement, the non-prevailing party in any action pursued in courts of competent jurisdiction (the finality of which is not legally contested) agrees to pay to the prevailing party all reasonable costs, damages and expenses, including specifically, but without implied limitation, attorneys' fees, expended or incurred by the prevailing party in connection therewith.

(i) Invalid Provision. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and, the remaining provisions of this

Agreement shall remain in full force and effect and shall not be affected by such illegal, invalid, or unenforceable provision or by its severance from this Agreement.

(j) Recording. The parties hereto agree that this Agreement will not be recorded; provided however that a memorandum or notice thereof may be recorded in the Official Public Records of Webb County, Texas, at the expense of Owner.

*(Signature page follows.)*

EXECUTED AND EFFECTIVE AS OF the Effective Date set forth above.

**OWNER:**

EMBARCADERO WATER SUPPLY COMPANY, LLC,  
a Texas limited liability company

By: Fasken Management, LLC,  
a Texas limited liability company,  
Its Manager

By: \_\_\_\_\_  
Charles F. Hedges, Jr.  
Senior Vice President

**CITY:**

CITY OF LAREDO

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A – PROPERTY DESCRIPTION

## EXHIBIT B – DESCRIPTION OF THE WORK

The Work is generally comprised of the following:

1. Design, planning, engineering design, geotechnical investigations, surveying, field engineering, supervision and quality assurance related to the Project.
2. Furnish and Install a new 30” steel raw water intake pipe (currently anticipated to be 28.75” I.D., 0.625” wall thickness), approximately 350 linear feet, to be performed by a specialty contractor using Horizontal Auger Boring (HAB or “jack-and-bore”) method. Pipe to be installed on a designed downward slope away from the river, to provide a flooded wet well. Bottom of bore pit at the river end to be at approximately 355’ elevation (20’ depth). Bottom of bore pit at the upstream end to be at approximately 350’ elevation (65’ depth).
3. Construct cast-in-place concrete junction box over the existing 24” irrigation intake pipe, at Station 0+00 on the new 30” intake line, near the riverbank. Suitable 24” gate valves to be cast into the walls of the junction box for isolation of the new intake pipe, and existing intake pipe. Manholes as needed for access to the gate valve handles and gearboxes.
4. Dewatering of the existing 24” intake using divers and inflatable bladder technique, to enable removal of the portion of the existing intake pipe passing through the junction box.
5. Construct new 84” diameter wet well using a combination of precast and cast-in-place concrete components to include well cap which will be the structural base for pump equipment. Top of new wet well to be approximately 415’ elevation.
6. Furnish, install, and commission two new two new 75 HP multi-stage vertical turbine line shaft pumps, each designed for flooded suction and approximately 1,500 GPM @ 120’ TDH. Pumps to match existing with 10” discharge flanges.
7. Furnish and install new electrical gear, materials and labor to connect the new pumps to the existing electrical service, to include a new motor control center with soft starters.
8. Connect existing tank level controls to the new motor control center.
9. Removal of existing turbines and electrical. Fill existing wet well and intake with flowable inert material, demolish top portion of existing wet well to below grade and construct permanent concrete cap.
10. Flooding of the junction box and new intake/wet well by removal of the bladder plug.

11. Construct 18” steel discharge header from the two vertical turbine pumps, to include 10” isolation gate valves, and flexible/hose type discharge pipe to connect the pumps to the header. Transition header to a 12” steel discharge flange above ground.
12. Construct approximately 450 linear feet of new 12” PVC C900/DR18 water main underground, from the discharge header to the existing 12” underground main near the base of the existing fiberglass storage tanks (“storage tank fill line”)
13. Earthwork and concrete, soil stabilization, new road base, fencing and erosion controls ancillary to the Project.
14. Dewatering, shoring and trench protection as needed for the Project.
15. Electrical work by AEP needed to re-route the existing 277V/480 3-phase electrical service to the irrigation pump station.
16. Demo and removal of any existing improvements which are taken out of service, to the extent abandonment in place is not allowed.
17. Any other Costs associated with the Work.

The above is based on the 12” discharge from the new lift station to be teed-into the existing 12” underground, with a check valve in the existing line. This will allow for a transition period where both existing and new pumping are online at the same time, to avoid a rapid cutover.

EXHIBIT C – SITE PLAN OF THE WORK

*(Attached following this page.)*