

SUPPLEMENTAL AGREEMENT NO. 1

CITY OF LINCOLN
STATE OF NEBRASKA, DEPARTMENT OF ROADS
PROJECT NO. STPC-5242(4), STATE CONTROL NO. 11215F
MILITARY ROAD AND BRIDGE
(ANTELOPE VALLEY)

THIS SUPPLEMENTAL AGREEMENT, made and entered into by and between the City of Lincoln, hereinafter referred to as the "City", and the State of Nebraska, Department of Roads, hereinafter referred to as the "State",

WITNESSETH:

WHEREAS, the State and City entered into an agreement executed by the City on August 6, 2003, and by the State on August 15, 2003, that provided for design engineering, R.O.W., non-betterment utility rehabilitation, railroad, construction and construction engineering, and

WHEREAS, it now becomes necessary that the agreement be supplemented to provide for project funding.

NOW THEREFORE, in consideration of these facts, the State and City agree as follows:

SECTION 1. The original program agreement XL0356 established this project. Now this supplemental agreement will define the funding for the project.

SECTION 2. The estimated cost of design engineering, Right-of-Way, utility rehabilitation, railroad, construction and construction engineering is \$5,876,000 and the City's share is estimated at 20 percent or \$1,175,200. The State agrees to reimburse the City, using Federal Funds, contingent upon availability, for 80 percent of the actual eligible cost of the improvement up to a maximum of \$4,700,800 for the project. Progress billings to reimburse the City may be submitted by the City no more often than monthly. The State will pay 95 percent of 80 percent of each billing until 95 percent of the City's available federal fund allocation has been reimbursed. The City shall maintain copies of all payment records. Final payment of the Federal share will be made upon receipt of payment records, final review and acceptance of the project by the State and a final audit, if deemed necessary, has been performed to verify actual eligible costs. Also, final payment will not be made to the City until the City has filed a completed State DR Form 299 with the State, and both the City and the State have signed it. The City agrees to reimburse the State for any overpayments discovered by the State or its authorized representative.

The City further agrees, that if reimbursement to the State is required on this project, and if the City is unable to or does not make reimbursement within 60 calendar days after the State

notifies the City of such required reimbursement; the State by this agreement is authorized to withhold money from State Highway Allocation Funds apportioned or to be apportioned to the City, in an amount equal to the required reimbursement to the State.

Costs incurred by the State with respect to the entire project will be a part of the cost of the project to be paid out of City and Federal Funds. The State may, at its discretion, initiate progress invoices for costs incurred by the State during the progression of the project and the City agrees to pay those invoices within thirty days of their receipt. The City's share of the total project cost will be all costs not paid for by Federal Funds.

The criteria contained in Part 31 of the Federal Acquisition Regulations System (48 CFR 31) will be applied to determine the allowability of costs incurred by the City under this agreement.

In the event additional Federal funds do not become available, the City will be responsible for 100 percent of the project costs.

SECTION 3. Except as specifically amended by this supplemental agreement, all terms and conditions of the agreement executed by the City on August 6, 2003 and by the State on August 15, 2003 will remain in full force and effect.

IN WITNESS WHEREOF, the State and City have caused these presents to be executed by their proper officials thereunto duly authorized as of the dates below indicated.

EXECUTED by the City this _____ day of _____, 2004.

WITNESS:
Joan E. Ross

CITY OF LINCOLN
Coleen Seng

City Clerk

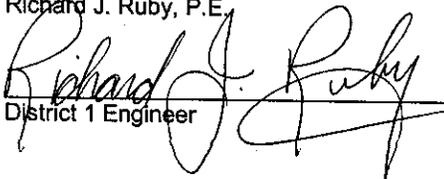
Mayor

EXECUTED by the State this _____ day of _____, 2004.

STATE OF NEBRASKA
DEPARTMENT OF ROADS
Eldon D. Poppe, P.E.

Roadway Design Engineer

RECOMMENDED:
Richard J. Ruby, P.E.


District 1 Engineer

AGR20-HC

Project No. STPC-5242(4)
Military Road and Bridge
Antelope Valley

- 2 -

Agreement No. XL0356
Supplement No. 1