

PROJECT SPECIFIC AGREEMENT MODIFICATIONS

The State of Montana, acting by and through its Department of Transportation, hereinafter called the "State", and the City of Billings, hereinafter called the "City" entered into a Project Specific Agreement in 2005 (attached) that provided for, among other things, the design and construction of sidewalks, drive approaches, curb and gutter along Jackson Street in Billings, Montana. The project location and costs reflected in that agreement have changed necessitating an amendment to the 2005 Project Specific Agreement. Accordingly, the parties agree to modify that Agreement as set forth below.

Under WITNESSETH THAT, the fourth paragraph will be modified to read:

WHEREAS, the total estimated cost of the project's development and construction totals \$420,000; and,

After NOW, THEREFORE, ...

Sections 2, 4, and 12 will be modified to read:

- 2. The project is on the state-maintained system and the location is described as follows: the project is located on the west side of Jackson Street between Francis Avenue and the alley south of Ryan Avenue

- 4. The federal-aid program to be requested for the development and construction of this project, by federal-aid account, is as follows:

Federal-Aid Program Account by Project Phase (Federal Funds & Local Match)

[9102] Preliminary Engineering (86.58% federal share) (including environmental documentation)	\$	7,250
[9402] Construction Engineering (86.58% federal share)	\$	7,250
[9502] Construction (86.58% federal share)	\$	273,186
Total	\$	287,686

**Table A.
 Portion Not Subject To Indirect Costs**

City of Billings		Project		Federal Funds		Local Match		Additional Contribution
	\$	137,750	\$	63,238	\$	9,802	\$	64,710

Table B.
Portion Subject To Indirect Costs

City of Billings		Project		Federal Funds		Local Match		Additional Contribution
	\$	282,250	\$	185,841	\$	28,805	\$	67,604

NOTE: Table B. does not include indirect costs. Indirect costs will be applied to the CTEP fund share at the rate corresponding to the time the work is accomplished.

Project Totals
 (Table A. plus Table B.)

City of Billings		Project		Federal Funds		Local Match		Additional Contribution
	\$	420,000	\$	249,079	\$	38,607	\$	132,314

Project costs in excess of those reflected in Table A. are subject to the requirements of Section 17-1-106, MCA, which requires the State to fully recover indirect costs (IDC) from the City and any other participating parties. The current IDC rate is 13.35%. The parties further understand and agree that as of October 1, 2009 the City's share of the IDC will be paid by the State per subsection (3) of Section 17-1-106, MCA. If this project extends across more than one state fiscal year, more than one annual rate will be involved, as the rate may change over the life of the project.

12. The City will be responsible for the \$38,607 in local matching funds and the additional contribution of \$132,314. The federal participation will be \$249,079 of the estimated total project cost of \$420,000. The City will be responsible for 100% of all costs exceeding the proposed \$420,000 that may be required to complete the project.

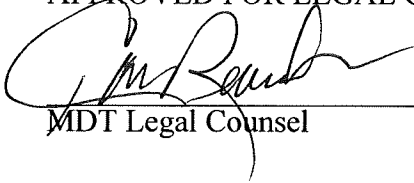
All other terms of the original agreement will remain in full force.

IN WITNESS WHEREOF, the Director of Transportation's authorized representative has signed his name on behalf of the State of Montana, and the Mayor of the City of Billings, has signed and affixed hereto the seal of the City.

STATE OF MONTANA, DEPARTMENT OF TRANSPORTATION

BY _____, 2011

APPROVED FOR LEGAL CONTENT



MDT Legal Counsel

CITY OF BILLINGS

ATTEST-CITY CLERK

MAYOR

By _____

I, _____, Billings City Clerk, hereby certify that this agreement was regularly adopted by the Billings City Council at a meeting held on the _____ day of _____, 20____, and that the Council authorized the Mayor to sign this agreement on behalf of the City.