

1.2 Road Right-of-Way

Prior to Company commencing the Work, City will provide written assurances to Company that it has acquired the necessary new road right-of-way (including information on the property rights acquired).

1.3 Traffic Control

Company shall make a reasonable effort to provide signing and other traffic control measures during the Work, in accordance with PART VI of the U. S. Department of Transportation Manual on Uniform Traffic Control Devices, current edition, all at the expense of the City.

Section 2 COSTS AND PAYMENT

2.1 Compensable Property Interests

Company shall perform the Work in accordance with the estimate attached hereto as Exhibit "A" and incorporated herein by reference (the "Total Estimate"). The total amount of the Total Estimate is TWO MILLION, SIX HUNDRED SIXTY THOUSAND, FOUR HUNDRED THIRTY-ONE Dollars (\$2,660,431.00). The amount of the Total Estimate that corresponds to Company's claim that it has compensable property interests with respect to the Project (the "Reimbursement Claim") is ONE MILLION, TWO HUNDRED SEVENTY-TWO THOUSAND, EIGHT HUNDRED NINETY-SEVEN Dollars (\$1,272,897.00), otherwise reflected as **forty-seven and eighty-five hundredths' percent (47.85%)** of the Total Estimate. The Reimbursement Claim is limited to: (a) the costs of removing, relocating or adjusting those Facilities which are physically in place and in conflict with the proposed construction and/or maintenance; (b) where replacement is necessary, the costs of replacement in kind, and any improvements or betterments made necessary by the proposed construction and/or maintenance; and (c) the costs incurred in acquiring additional easements or private rights-of-way, including without limitation easements for lines, access, tree trimming, guy wires, anchors and other devices, appliances and other equipment, and any and all other such easements and property rights as may be reasonably necessary for the Company's installation, operation and maintenance of its Facilities (collectively, the "Relocation Costs").

The cost of any improvements or betterments that are not made necessary by the proposed construction or maintenance shall not be subject to the percentage split contemplated above. Such costs shall be paid as follows: (a) the costs of any improvements or betterments of a Facility being made solely at Company's option (and not being made necessary by the proposed construction and/or maintenance) shall be fully paid by Company; and (b) the costs of any improvements or betterments of a Facility being made solely at City's request (and not being made necessary by the proposed construction and/or maintenance) shall be fully paid by City.

Upon completion by Company of the Work and subject to determination of Company's Prior Rights Claim in accordance with Sections 3 and 4 below, City will pay Company a sum equal to the lesser of (a) ONE MILLION, TWO HUNDRED SEVENTY-TWO THOUSAND, EIGHT HUNDRED NINETY-SEVEN Dollars (\$1,272,897.00), otherwise reflected as **forty-seven and eighty-five hundredths' percent (47.85%)** of the Total Estimate and representing