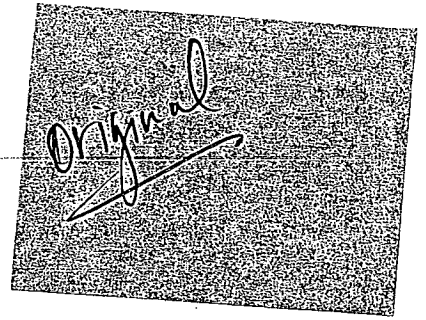


Service Agreement
Between
the Nebraska Department of Natural Resources
and
Board of Regents, University of Nebraska, Nebraska Water Center



This service agreement (the "Agreement") is made and entered into by the Nebraska Department of Natural Resources, hereinafter known as the Department, and the Board of Regents of the University of Nebraska, for the University of Nebraska Water Center, hereinafter known as the Center.

Whereas, the State of Nebraska adopted comprehensive legislation, including but not limited to the Ground Water Management and Protection Act, which became effective in July of 2004, and

Whereas, the Department is in need of assistance in the form of research, analysis, reports, and consultation relating to implementing certain aspects of the Ground Water Management and Protection Act and other aspects of the legislation and Department functions relating to same, and

Whereas, the type of assistance needed includes or may eventually include data collection, data organization, research and specialty reports of a type that University of Nebraska staff have experience in producing, and

Whereas, the University of Nebraska Water Center is able to assist in identifying and making arrangements with University staff able to help meet the needs of the Department.

Now, therefore, the parties hereby mutually agree as follows:

1. Term.

This Agreement shall be for a term commencing on February 1, 2005 and continuing thereafter until June 30, 2007 unless terminated: a) without cause by either party upon delivery to the other party of thirty (30)-days prior written notice, b) with cause immediately upon written notice, or c) upon final completion of all services required to be performed by the Center and payment by the Department pursuant to the terms of this Agreement. Prior to June 30, 2007, the parties may renew the Agreement by written amendment signed by all parties for an additional two year period. The existence of said right of renewal does not create an obligation on the part of the Department to renew said Agreement nor create an expectation by the Center that said Agreement will be renewed.

2. Scope of Service.

- A. Services: All services to be performed pursuant to this Agreement shall be performed on a task order basis with each task order to be prepared in writing and executed by each of the parties as a supplement to this Agreement.
- B. Project Schedule: The Center shall commence its work in accordance with direction from the Department and all deadlines, completion dates and timelines shall be specified in each task order. The Center agrees to participate in and attend, in person or by telephone, meetings as necessary, with the Department in Lincoln, for the purpose of discussing the Agreement and its progress and making assignments of task orders. The Center will, at each meeting, present a brief report on the status of any outstanding task orders, and its recommended work plan for the future.
- C. Project Delays: In the event that there are delays to the schedule specified in any task orders undertaken on the Project for reasons beyond the Center's control, the parties shall mutually agree to adjust the schedule in writing to accommodate such delays. The Center shall make reasonable efforts to avoid delays and to complete all Services in a professional and timely manner.
- D. Project Manager: The Department and the Center shall designate a person as the Center's Project Manager to direct work on task orders and to coordinate the Center's work with the work of the Department and that of any other participating entities. Communications shall be through the Project Manager and the Department's Task Order Coordinator, Ann Bleed.

3. Compensation.

The Department shall pay, from the funds appropriated by the legislature, compensation as specified in the individual task orders which shall be appended to this Agreement. The maximum amount that may be paid for completion of all task orders pursuant to this Agreement is \$500,000.

- A. The compensation amount or the rate to be paid shall be specified in task orders executed pursuant to this Agreement. The rates shall be subject to adjustment by written agreement of the parties. The compensation for each task order may be increased by 10% for the Center's indirect costs.
- B. If specified by a task order the Center may be reimbursed for any actual expenses and costs incurred by the Center in the performance of this Agreement. Reimbursement rates shall be in accordance with the State of Nebraska Accounting System Manual.

~~C. Compensation payments shall be made by the Department on no more frequently than a quarterly basis following submission by the Center of a detailed, itemized statement of account showing services rendered, time expended, and any additional expenses and charges.~~

D. Task orders shall require the Center to maintain detailed time and expense records which indicate the date, time, and nature of services rendered and any expenses incurred. Those records shall be subject to inspection by the Department and any other agency of the State of Nebraska with responsibility for monitoring progress or auditing records pursuant to this Agreement. The Department shall have the right to audit billings both before and after payment, and payment under this Agreement shall not foreclose the right of the Department to recover excessive or improper payments.

4. Work Product.

All writings, technical reports, sound recordings, magnetic recordings, computer programs, computerized data bases, data bases in hard copy, drawings, specifications, designs, reports, photographs, and other graphical representations (hereinafter referred to as "Work Product") prepared by the Center hereunder are and shall be the property of the State of Nebraska and shall be delivered to the Department no later than the termination date of this Agreement. The Center is authorized to use the Work Product for further research and publication, provided that; the results of any further research and all publications will be made available to the Department and no information will be released to the public or anyone not directly involved in performing the services anticipated by the Agreement without the timely permission of the Department.

5. Personnel.

The Center shall provide professional and technical personnel to perform the Services required for the task orders, subject to the prior approval of the Department. The Center reserves the right to change its Project Manager upon notice to, and approval by, the Department. The Center will, with the prior approval of the specific Department personnel as may be noted in individual task orders, determine the appropriate number and quality of its personnel to perform the Services.

6. Equipment, Material and Personnel.

The Center shall provide and maintain adequate support materials and equipment to permit timely completion of all Services and shall use materials which are in conformance with existing federal, state, and local laws and ordinances.

7. Amendment

This Agreement may be amended only by written agreement signed by all of the parties.

8. Notices.

Any notices required pursuant to this Agreement shall be sent to:


UNL Water Center
103 Natural Resources Hall
University of Nebraska-Lincoln
East Campus
Lincoln, NE 68583
Attention: Director

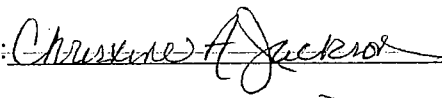
Office of Sponsored Programs
University of Nebraska-Lincoln
312 N. 14th Street
Alexander Bldg. West
Lincoln, NE 68588-0430
Attention: Director, Pre-Award Development

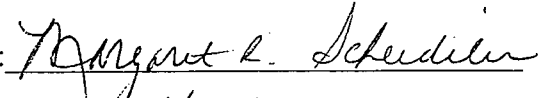
Nebraska Department of Natural Resources
301 Centennial Mall South
4th Floor, State Office Building
P.O. Box 94676
Lincoln, NE 68509-4676
Attention: Supervisor, Planning and Assistance Division

Nebraska Department of Natural Resources

Board of Regents of the University
of Nebraska

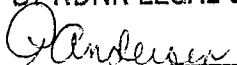
By: 
(Roger K. Patterson)
Title: Director of Natural Resources
Date: 5/5/05

By: 
Title: VICE CHANCELLOR, BUSINESS & FINANCE
Date: 4-20-05

ATTEST:
By: 
Date: 4/20/05

APPROVED

AS TO FORM & CONTENT
BY NDNR LEGAL COUNSEL

 DATE 5-5-05