

**PRELIMINARY SEWER MAINLINE REIMBURSEMENT AGREEMENT
BY AND BETWEEN THE YUCAIPA REDEVELOPMENT AGENCY AND THE
YUCAIPA VALLEY WATER DISTRICT**

On this 8th day of March, 2010, the Yucaipa Redevelopment Agency, a public body, corporate and politic ("Agency"), and Yucaipa Valley Water District, Special District, hereinafter referred to as "District", hereby mutually agree as follows:

I. Purpose of Agreement:

The City of Yucaipa has awarded a contract for the construction of the widening of Yucaipa Boulevard between 13th Street and 14th Street. With the support of the Agency and the availability of Agency's funding, the opportunity for the installation of a sewer mainline in Yucaipa Boulevard at this location has become viable. Both the Agency and the District recognize that this segment of sewer mainline will not be connected to active sewer mainlines owned and operated by the District.

II. Scope of Agreement:

- A. The District will be responsible for design, solicitation of bids, and the construction of sewer mainlines and appurtenances in Yucaipa Boulevard between 13th Street and 14th Street (hereinafter the "Sewer Mainlines") pursuant to standards set forth by the District.
- B. The Agency will provide the existing and future utility location design drawings and expedite the coordination of any potential conflicts with the Sewer Mainlines.
- C. The Agency shall pay to the District 50% of the District's proposed award of contract amount for the construction of the Sewer Mainlines. Such payment shall be made to the District one week prior to the District awarding the contract for the construction of the Sewer Mainlines. The remaining 50% of such funding, and any other construction and inspection costs associated with the installation of the Sewer Mainlines, shall be paid by the Agency to the District within thirty (30) days after completion of construction of the Sewer Mainlines.
- D. The District will own the Sewer Mainlines upon completion and acceptance of Sewer Mainlines.
- E. The District and the Agency shall enter into a subsequent reimbursement agreement for the future reimbursement to the Agency of the construction-related costs paid by the Agency to the District under this Agreement for the construction of the Sewer Mainlines. Alternatively, the Agency may assign the right to that reimbursement agreement to a developer of land utilizing the Sewer Mainlines. Such a future reimbursement agreement will not become effective until the Sewer Mainlines are connected to the District and are in operation and utilized by the public, the date of which is yet to be determined. The reimbursement provisions of the future agreement shall be for a period not to exceed ten years from the date that the Sewer Mainlines are connected to the District and are in operation and utilized by the public and pursuant to the District's Ordinance No. 54-2009, and any successor thereto.

IN WITNESS WHEREOF, the Agency and District have executed this Agreement the day and year first above written.

Yucaipa Redevelopment Agency

Yucaipa Valley Water District

Executive Director, Ray Casey Date

Jay Bogh, Board President Date