

basis under the budget or Capital Improvements Program of the City to pay for the cost of such land, rights-of-way and Improvements.

F. Pursuant to prior understandings, or budget or capital improvement program considerations of the City and the Agency, the cost of the lands, rights-of-way and Improvements has been allocated to the Agency and the City and the Agency have previously taken certain actions indicating their objective and reasonable expectation that the Agency would reimburse the City for all of expenditures by the City for the lands, rights-of-way and Improvements from any funds lawfully available to the Agency therefore, subject to the provisions of this Cooperation Agreement.

NOW, THEREFORE, the parties do hereby agree as follows:

Section 1. Purpose of this Cooperation Agreement

The City and the Agency desire to enter into this Cooperation Agreement to acknowledge the above recitals and to provide for the advance by the City and the payment or reimbursement by the Agency of the costs of the acquisition of land and rights-of-way and the installation and construction of the Improvements. Pursuant to this Cooperation Agreement, the Agency agrees to pay to or for the benefit of the City the cost of acquiring the land and rights-of-way, including payment of related costs, and agrees to pay to or for the benefit of the City the cost of the installation and construction of the Improvements subject to the provisions of this Cooperation Agreement. By providing for the acquisition of land and rights-of-way and the undertaking of the Improvements, the City has advanced and will continue to advance the cost of the foregoing to the Agency.

The Improvements are described in Exhibit A. The Agency shall pay for, or reimburse to the City, not more than the cost paid by the City to acquire the land or construct the Improvement, as approximated in Exhibit A.

Prior to the City undertaking any of the Improvements, or acquiring any more land or rights-of-way necessary or desirable therefore, the Agency shall first deliver to the City the Agency's finding and determination that the Agency has, or will have, sufficient moneys to pay for or reimburse the City on a lump-sum basis or by periodic payments over a period of years for all of the value of such land and rights-of-way and for the cost of the installation and construction of the subject Improvements. Following receipt of such finding and determination, the City shall immediately proceed to undertake the subject Improvement subject to appropriation of funds by the City Council for such purpose.

Section 2. Construction and Installation

The City shall perform all required preparatory work for the Improvements, including compliance with the California Environmental Compliance Act and the acquisition of land and rights-of-way, and shall install and construct, or cause to