

be installed and constructed, the Improvements not previously installed and constructed. The City shall retain a person or entity experienced in the design and construction of the Improvements to undertake the design of the Improvements and to prepare plans and specifications therefore. The City shall, in accordance with all applicable federal, state and local laws, rules and regulations, install and construct, or cause to be installed and constructed, the Improvements in accordance with such plans and specifications. Upon notice thereof and direction from the City, the Agency shall perform such preparatory work, installation and construction.

Section 3. Acquisition of Land and Necessary Rights-of-way

In consideration of this Cooperation Agreement, the City agrees to exercise its best efforts to acquire land and rights-of-way by negotiated purchase. Upon notice thereof and direction from the City, the Agency shall exercise its best efforts to acquire such necessary land and rights-of-way.

Section 4. Agency to Pay all Costs

The Agency and the City hereby agree that the cost of the acquisition of necessary land and rights-of-way and the installation and construction of the Improvements paid for by the City constitute an advance to the Agency by the City. Subject to the provisions of this Cooperation Agreement, the Agency hereby agrees to reimburse the City the cost of the acquisition of the necessary land and rights-of-way and the costs of the installation and construction of the Improvements, including payment of related costs. The estimated cost of these Improvements is set forth in Exhibit A.

Section 5. Reimbursement Costs

The City shall, following acquisition of the land or rights-of-way for, and the completion of the various Improvements, or various portions thereof, submit to the Agency monthly statements showing the cost of the Improvements incurred by the City, including the acquisition of necessary land and rights-of-way, due to be paid by the Agency pursuant to this Cooperation Agreement. Such amounts may include progress payments.

Section 6. Reimbursement by the Agency

Within a reasonable time after the submission of each monthly statement to the Agency pursuant to Section 5 hereof, the Agency shall pay to or for the benefit of the City all amounts due thereunder. The parties recognize that repayment may occur over a period of time. Amounts not paid by the Agency to the City within 30 days of demand therefore shall bear interest at the rate equal to the lesser of: 0.5% per annum above the average monthly interest rate earned by the City on its other investments, or the highest legally-allowable rate for a redevelopment agency. The obligations of the Agency