

## REIMBURSEMENT AGREEMENT

This Reimbursement Agreement (“Reimbursement Agreement”) by and between the City of Milpitas, a municipal corporation (“City”), and the City of Milpitas, in its capacity as the successor agency to former Milpitas Redevelopment Agency, a public entity pursuant to California Health and Safety Code § 34173 et. seq. (“Successor Agency”), is entered into and effective as of April 25, 2012.

### RECITALS:

WHEREAS, Assembly Bill X1 26 (“ABX1 26”) dissolved the former Milpitas Redevelopment Agency and other redevelopment agencies and allowed cities that created such redevelopment agencies to serve and take on the status as successor agencies for the wind down of former redevelopment affairs; and

WHEREAS, under ABX1 26, the City of Milpitas opted to act as the successor agency to the non-housing functions of the former Milpitas Redevelopment Agency, thereby creating a new entity for purposes of the wind down of the former Milpitas Redevelopment Agency’s affairs; and

WHEREAS, under ABX1 26, the Successor Agency must continue making payments for and perform obligations under enforceable obligations and finish the project management and supervision of duly contracted construction projects and other efforts and perform continuing, legally required obligations of the former redevelopment agency; and

WHEREAS, under ABX1 26, oversight boards may approve new agreements or the reentry of previous agreements between a successor agency and the city that formed the redevelopment agency that it is succeeding; and

WHEREAS, the purpose of this Reimbursement Agreement is to provide for the reimbursement of City expenses and costs incurred by the City on behalf of the Successor Agency and the Successor Agency has requested the Oversight Board’s approval of this “Reimbursement Agreement” for categories of reimbursable costs as described in the exhibit attached herein and incorporated by reference as part of this Reimbursement Agreement.

NOW, THEREFORE, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

#### A. Overview and Purpose of this Reimbursement Agreement

In consideration for the City’s project management and performance of legally required obligations and actions under ABX1 26, surviving provisions of the Community Redevelopment Law, and other legal obligations, the Successor Agency agrees through this Reimbursement Agreement to make payments to the City, as approved by the Milpitas Oversight Board, for the projects and activities set forth in Exhibit A (“Reimbursable Contracts and Activities”).

## B. Reimbursable Costs

The amounts to be reimbursed shall be for the City's costs ("Reimbursable Costs") in the performance of and/or the project management of the Reimbursable Contracts and Activities set forth in Exhibit A. The City and the Successor Agency agree that each of the Reimbursable Costs and Reimbursable Contracts and Activities may be amended from time to time only upon the approval of the Milpitas Oversight Board or its successor. The Successor Agency shall agree to request the Oversight Board amend this Reimbursement Agreement to approve reimbursement of any additional costs within the scope of the Reimbursable Costs. However, there is no assurance that the Oversight Board will approve such additional costs or that the Successor Agency will agree to pay any such additional costs.

## C. Reimbursable Costs Shall Constitute Enforceable Obligations

The Successor Agency and the City hereby agree that the obligations of the Successor Agency to reimburse the City for Reimbursable Costs constitute "enforceable obligations" under ABX1 26, as approved by the Milpitas Oversight Board.

## D. Invoices and Payment by the Successor Agency

The City shall, from time to time, submit to the Successor Agency invoices showing the amounts due to be paid by the Successor Agency to the City pursuant to this Reimbursement Agreement. Such amounts may include progress payments.

Within 30 days after the submission of each statement and invoice to the Successor Agency, the Successor Agency shall pay or cause to be paid to or for the benefit of the City all amounts due thereunder from the source of funds identified in the Successor Agency's Recognized Obligation Payment Schedules or other authorizations, as provided for by ABX1 26 or any successor legislation. Amounts not paid by the Successor Agency to the City within 30 days of demand pursuant to this Reimbursement Agreement shall bear interest at the rate then paid to the City on its funds invested in the City's investment portfolio.

## E. Term; Effect and Duration of Covenants

This Reimbursement Agreement shall remain in effect until all of the City's obligations and payments due under the Reimbursable Contracts and Activities are satisfied and paid in full and all claims, lawsuits or litigation arising from obligations under this Reimbursement Agreement are settled or adjudged by a final judgment of a court of competent jurisdiction. The covenants established in this Reimbursement Agreement shall, without regard to technical classification and designation, be binding on the parties hereto and their successors in interest.

## F. Nonliability of Officials and Employees

No member of the Milpitas Oversight Board or councilmember, official, agent, or employee of the Successor Agency or the City shall be personally liable to the other parties, or any successor in interest, in the event of any default or breach by the Successor Agency or the City, or for any amount which may become due to the City or Successor Agency, or successor thereto, or on any obligations under the terms of this Reimbursement Agreement.

G. Records

Each party shall maintain books and records regarding its duties pursuant to this Reimbursement Agreement. Such books and records shall be available for inspection by the officers and agents of the other party at all reasonable times.

H. Governing Law

This Reimbursement Agreement is made in the State of California under the constitution and laws of the State of California, and is to be so construed.

I. Amendments

This Reimbursement Agreement may be amended at any time, and from time to time, by an agreement executed by both parties to this Reimbursement Agreement, subject to the approval of the Milpitas Oversight Board or its successor, as required by law.

J. Severability

If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this Reimbursement Agreement is, for any reason, held to be invalid by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Reimbursement Agreement and each section, subsection, subdivision, sentence, clause, phrase, word or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivision, sentences, clauses, phrases, words, or portions thereof be declared invalid.

IN WITNESS WHEREOF, the parties hereto have executed this Reimbursement Agreement the day and year first above written.

CITY OF MILPITAS

By: \_\_\_\_\_

Thomas C. Williams, City of  
Milpitas

CITY OF MILPITAS, Acting in Its  
Capacity as the Successor Agency  
for the former Milpitas  
Redevelopment Agency

By: \_\_\_\_\_

Thomas C. Williams, Successor  
Agency Executive Officer

**Exhibit A**  
**REIMBURSABLE CONTRACTS AND ACTIVITIES**

<b>First Recognized Obligation Payment Schedule Item Number</b>	<b>Project Name or Debt Obligation</b>	<b>Payee</b>	<b>Recurring in Future Years</b>	<b>Enforceable Obligation Amount</b>
Section 1 Sheet, Item 9	Contract-Consulting Services	Maze & Associates	Yes (until FY 2032-2033)	\$10,500.00 (For FY 2011-2012), to be escalated by market price until FY 2032-2033)
Section 1 Sheet, Item 10	Contract-Consulting Services	Muni Services LLC	Yes (through November 30, 2013)	\$23,766.00 (For January 1, to June 30, 2012 amounts invoiced thus far), plus all other documented 25 percent recovery amounts through November 30, 2013)
Section 1 Sheet, Item 11	Contract-Consulting Services	Murphy & Associates Litigation Services	No	Not to Exceed \$59,110.84 (For period January 1, 2012 to June 30, 2012)
Section 1 Sheet, Item 26	Contract for Construction	Cal-West	No	\$56,508.75 (For Fourth Amendment to Contract extended until June 30, 2012)

Section 2 Sheet, Item 16	Project Management Costs	City of Milpitas	No	\$1,294.50
Schedule 2, Item 21A	Project Management Costs	City of Milpitas	No	\$3,236.15