

SUBDIVIDER REIMBURSEMENT AGREEMENT

This Agreement is made and entered into this 13 day of MARCH, 2011, by and between the County of Fresno, a political subdivision of the State of California (County), and J.P.J., Inc. a California corporation ("SUBDIVIDER") doing business at 7030 North Fruit Avenue, Suite 101, Fresno, California 93711.

WITNESSETH

WHEREAS, SUBDIVIDER is a landowner that holds 59.42 acres of the land encompassed by Tentative Tract Map No. (TTM) 4968, within County Service Area 34 (Millerton New Town) (CSA 34); and

WHEREAS, SUBDIVIDER, in an effort to satisfy conditions of approval for TTM 4968, asks the County to undertake proceedings to form Zone D of CSA 34, in which the County is proposed to provide services consistent with the Millerton Specific Plan and the Millerton New Town Infrastructure Plan, which services shall include those shared with all of the zones within CSA 34, namely, water contract administration and lake pump ready-to-serve maintenance, and operation and maintenance of shared-use water treatment and delivery services and sewer treatment and collection services, and which services may also include, without limitation, water delivery services and sewer collection services, street lighting, public right-of-way landscape maintenance, and road maintenance within the area defined by TTM 4968; and

WHEREAS, the County's Master Schedule of Fees, Section 3750.12, requires the County to recover the County's costs involved in project implementation, such as the formation of a zone in a County Service Area (CSA), through the execution of a reimbursement agreement between SUBDIVIDER and the County; and

NOW, THEREFORE, in consideration of the mutual acknowledgments, covenants, and conditions in this agreement, it is agreed as follows:

I. DUTIES OF SUBDIVIDER.

A. SUBDIVIDER shall pay to the County the County's actual cost to carry out the proceedings described in section II.B., below, which are collectively defined in that section as

1 the "Project". SUBDIVIDER understands and acknowledges that the County makes no
2 guarantee regarding the results of those proceedings.

3 B. Upon execution of this agreement, SUBDIVIDER shall deposit with the County
4 the sum of **Five Thousand Dollars (\$5,000.00)**, which is the initial deposit for the costs of the
5 Project. SUBDIVIDER understands and acknowledges that the actual cost of the Project may
6 exceed the amount of that initial deposit.

7 II. DUTIES OF THE COUNTY

8 A. The County shall receive the SUBDIVIDER's initial deposit under section I.B.,
9 above, and apply it as needed to the costs of the Project.

10 B. The County shall undertake proceedings to form zone D of CSA 34 in
11 accordance with Title 3, Division 2, Part 2, Chapter 2.5, Article 8 (commencing with Section
12 25217) of the California Government Code, and shall give all notices, conduct all hearings, and
13 process all documents necessary to complete those proceedings (collectively, "Project"). The
14 County makes no guarantee regarding the result of those proceedings.

15 C. The County shall keep accurate records of the actual cost to complete the
16 Project.

17 D. If the SUBDIVIDER requests, the County will provide an accounting of the cost of
18 the Project.

19 E. If the County in its sole discretion determines that the cost of the Project will
20 exceed the initial deposit, the County will in writing request an additional deposit from
21 SUBDIVIDER, which SUBDIVIDER shall pay within seven (7) days of receiving the County's
22 written request; or the County in its sole discretion may proceed with the Project and bill
23 SUBDIVIDER monthly for actual costs incurred for the Project during the prior month, and
24 SUBDIVIDER shall pay the County within the seven (7) days of receiving each invoice.

25 F. If SUBDIVIDER fails to make any payment or deposit required by the County
26 under this agreement, the County in its sole discretion may terminate this agreement and the
27 Project.
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1 H. If the actual cost of the Project is less than the sum total of SUBDIVIDER's
2 deposits under this agreement, the County will refund to SUBDIVIDER the amount remaining
3 from those deposits after the actual cost of the Project is paid.

4 III. TERMINATION

5 The County and SUBDIVIDER shall proceed with due diligence to perform their
6 respective obligations under this agreement. This agreement may be terminated without
7 cause at any time by SUBDIVIDER upon thirty (30) calendar days' written notice. If
8 SUBDIVIDER terminates this agreement, SUBDIVIDER shall compensate the County
9 for all Project costs incurred up to the date of termination.

10 IV. SEVERABILITY

11 If any part of this agreement is determined by a court of competent jurisdiction to be
12 invalid or unenforceable, then this agreement shall be construed as not containing the
13 invalid or unenforceable provision or provisions, and all other provisions of this agreement
14 shall remain in full force and effect, and to this end the provisions of this agreement are
15 hereby declared to be severable.

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1 The parties are signing this agreement on the date stated in the introductory clause.

2 J.P.J., Incorporated, a California
3 Corporation:

COUNTY OF FRESNO:

4 BY: [Signature]
5 JOHN A. BONNADILLE Pres.
6 Print Name & Title

BY: [Signature]
Steven E. White, Director,
Department Of Public Works and
Planning

7 7030 N. Fruit Ave #101
8 Mailing Address Fresno, CA 93711

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10 FOR ACCOUNTING USE ONLY

11 Department of Public Works and
Planning

12 CSA No. 34 Millerton New Town
13 Fund: 0830
Subclass: 16000
14 Org, No. 9174
Account No.: 5068
15 Account No.: 7295

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Zone Formation Agreement.Docx