

EXHIBIT 1

CITY OF VISALIA

**REIMBURSEMENT AGREEMENT
FOR PRIVATELY CONSTRUCTED PUBLIC FACILITIES INCLUDED IN THE
CITY'S IMPACT FEE PROGRAMS**

This Agreement, dated as of _____, is entered into by and between the City of Visalia, a municipal corporation (the "City"), and San Joaquin Valley Homes, LLC, a California limited liability company, (the "Developer").

RECITALS:

WHEREAS, Chapter 13.08 of the City of Visalia Municipal Code (the "Code") established development fees and special funds as part of the City's Sewer Service System Fee Program (the "Sewer Fee Program"); and

WHEREAS, Section 13.08.180 of the City of Visalia Municipal Code authorizes the City to oversize any sewer main as determined by the City Engineer, and in conformance with the City's Sanitary Sewer Master Plan, and shall reimburse for the additional oversizing construction costs upon application of property developers;

WHEREAS, Chapter 16.36 of the municipal code allows the City to require a developers install improvements in accordance with city policies as part of a subdivision; and

WHEREAS, City and Developer, as a condition for approval of Site Plan Review No. 23-131 (Elliott Subdivison) and associated TPM No. 5597, pertaining to real property identified therein (the property and entitlements so described hereafter referred to as the "Project") have entered into a Project Improvement Agreement that sets forth Developer's obligations regarding the construction of planned facilities and public improvements, according to improvement plans titled Shirk Street Sanitary Sewer Improvements and approved by the City on May, __, 2026 (hereafter collectively referred to as the "Facilities"); and

WHEREAS, In order to avoid duplication of work, the City is requiring the Developer to install and additional length of sewer line as part of the Facilities, this work is eligible for reimbursement by the City; and

WHEREAS, City acknowledges that the additional improvements needed are being conducted as it has been determined by the City that construction of these Facilities at the same time as the work required for the Project is in the best interest of the City and will result in less impacts to the public if the work were done separately, however City acknowledges that the requirement for these additional improvements is creating a substantial cost increase over what would have been required for the Project and under these circumstances the City is allowing the Developer to request reimbursement for the eligible Facilities as the work progresses; and

WHEREAS, this reimbursement agreement is intended to set forth the terms of reimbursement between City and Developer for Shirk Street Sanitary Sewer Improvements, which will install a sewer main along Shirk Road; and

WHEREAS, City and Developer desire to set forth their mutual understandings regarding the manner in which the City shall reimburse Developer for the Facilities that are under the requirements stated in the Sewer Fee Program, which the City has required to be installed as a

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condition of approval for the Project and City maintains no proprietary interest in the overall development project except for these specified public improvements.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the City and the Developer hereby agree as follows:

Section 1. Construction of Facilities

Developer shall complete construction of the Facilities in accordance with the terms of the Project Improvements Agreement.

Section 2. Reimbursement Amounts

The City shall reimburse, through cash payments as provided herein, the Developer for the planned Facilities based on the schedule of costs contained in Exhibit 1, attached hereto, which lists the Programmed Costs, or the items that the City will reimburse the Developer for and lists the applicable unit cost and values. A diagram showing the location of these public improvements is attached as Exhibit 2.

If any items are not listed in the schedule of costs, then the City and Developer must agree to an acceptable unit cost prior to this Agreement being signed. Changes or variations in the Programmed Costs may be requested by the Developer pursuant to Section 3 of this Agreement.

Section 3. Adjustment to Programmed Costs

The Developer may request the City to adjust the Programmed Costs. In order to request an adjustment to the Programmed Costs, the Developer must provide the following:

- (1) Copies of the original contract with the contractor and any change orders that have been agreed to by the Developer, contractor, and the City. The portion of each change order associated with the Facilities must be itemized separately;
- (2) Copies of all invoices, with unconditional lien releases, submitted by the contractor;
- (3) Copies of all checks issued by the Developer with related invoices indicated; and
- (4) A summary tabulation of all contractor invoices and Developer payments.

If the actual construction costs for the Facilities exceeds the Programmed Costs for such Facilities, the City Engineer shall review the items described above and determine if the Programmed Costs that will be credited/reimbursed to the Developer should be increased above the amount shown in Exhibit 1 or Exhibit 2 to fairly reflect change orders or other changed circumstances. The City Engineer shall determine in his/her reasonable discretion how much of the actual construction costs should be included in an increase to the Programmed Costs, and if acceptable, the parties shall execute an amendment to this Agreement setting forth the adjusted Programmed Cost.

Section 4. Right to Reimbursement

Developer shall be reimbursed the Programmed Cost in the manner as set forth in Section 5 below. Reimbursements payments by the City will not be made until a reimbursement request is

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submitted to the City. The Developer must apply for reimbursement within four (4) years after the City has accepted the Facilities. As noted in Section 5, this Agreement allows the Developer to seek reimbursement during construction of the Facilities. The Developer waives all right to reimbursement from the City if they do not request reimbursement within this four-year limitation; and

Section 5. Reimbursement Method

Developer shall be reimbursed the Programmed Costs, without interest, in the following manner(s):

5.1 Cash Reimbursement from Development Fees Collected City Wide. Developer may submit reimbursement requests monthly as the work on the Facilities progresses. The reimbursement requests will be based on the amount of the work completed on the Facilities, minus a retention amount of five percent (5%) which will be withheld from each progress payments to Developer from City. Developer must provide City copies of invoices from subcontractors, conditional releases of any liens from contractors, and calculation of percentage of work completed on Facilities, to the reasonable satisfaction of the City on a monthly basis.

Developer acknowledges that work on improvements that are not subject to reimbursement by the City will not be reimbursed and that submitted invoices will need to separately identify items that are reimbursable under this Agreement and any items that are not reimbursable.

City shall review the invoices from Developer and has ten (10) calendar days from the date the invoices are submitted to dispute any charges by Developer. If the City does not dispute an item, then it will be considered approved by the City. Disputed amounts shall be reviewed between the City and the Developer and shall not be paid until the City is satisfied that only work on the reimbursable Programmed Costs is being sought for recovery.

Payment of all undisputed reimbursement amounts will be made by City within thirty (30) calendar days from approval.

If the progress payments exceed the Programmed Costs, then Developer must request an adjustment to the Programmed Costs under Section 3 of this Agreement prior to any additional reimbursement by the City.

The retention amount may be requested by Developer after the Facilities have been completed, formally accepted by City, and thirty-five (35) days have passed from a Notice of Completion having been filed for and no claim of nonpayment has been filed by any workers or material suppliers. If any claims have been filed, then City may withhold the reimbursement attributable to such nonpayment claim until the claim is resolved.

Developer acknowledges that performance and payment bonds in the amount of one hundred percent (100%) of the estimated Facilities cost have been issued and accepted by the City and a one-year maintenance/warranty bond on the Facilities will be provided in a form acceptable to City under the Project Improvements Agreement, and the term of this warranty bond will not begin until the Facilities have been completed and accepted by the City.

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Section 6. Transfer of Reimbursement Rights

Rights to cash payment reimbursements granted to Developer pursuant to this Agreement may be transferred to other owners, builders, or developers only with the written consent of City. The notice must be signed by the Developer and the City, and an executed copy of the form shall be kept on file at the City.

Section 7. Limited City Obligation

The obligations arising from this Agreement are neither a debt of the City nor a legal or equitable pledge, charge, lien, or encumbrance upon any of its property or upon any of its income, receipts, or revenues, except the fees collected for the Facilities. Neither the General Fund nor any other fund of the City, except the applicable fund(s) associated with the Sewer Fee Program, shall be liable for the payment of any obligations arising from this Agreement. The credit or taxing power of the City is not pledged for the payment of any obligation arising from this Agreement. Developer shall not compel the forfeiture of any of the City's property to satisfy any obligations arising from this Agreement.

Section 8. Liens, Claims, and Encumbrances

Prior to final acceptance and issuance of Notice of Completion for any Facilities by the City, the constructing Developer shall provide a written guarantee and assurance to the City that there are no liens, claims, or encumbrances on those Facilities, together with unconditional final releases from all contractors and material suppliers, and with copies of invoices and corresponding checks issued by the Developer for all items for which reimbursement is requested under this Agreement for the Facilities. Notwithstanding any other provision or term of this Agreement, the City shall have no obligation to make any reimbursement payments until the constructing Developer has cleared any and all liens, claims and encumbrances from the Improvements and provided the required documentation, guarantee and assurance in writing, to the satisfaction of the City.

Section 9. No Third Party Beneficiary

City does not assume any liability, duty or obligation to Developer's contractors, subcontractors or agents by execution or performance of this Agreement and no contractors, subcontractors, agents or any parties are third party beneficiaries of this Agreement.

Section 10. Attorney's Fee

If any suit, action or proceeding in law or equity is brought to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable costs and attorneys' fees.

Section 11. Notices

Any notices, requests, demands or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally (FedEx and similar services, each of which is hereinafter called an "Express Courier," shall be considered to be personal service) or by telephone facsimile or other electronic transmission (provided that the sender of a telephone facsimile or other electronic transmission has received confirmation of successful transmission by the sending fax machine), and upon receipt, if mailed to the party to whom notice is to be given, by first-class mail, registered or certified, postage prepaid, return receipt requested, and properly addressed as follows:

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City:
City of Visalia
Community Development Department
315 E. Acequia Ave.
Visalia, CA 93291
Attn: City Engineer

With a copy to:
City of Visalia
Finance Department
707 W. Acequia Ave.
Visalia, CA 93291
Attn: Finance Administrator

Developer:
San Joaquin Valley Homes, LLC
5607 Avenida de los Robles
Visalia, CA 93291
Attn:

Either party may change its mailing address at any time by giving written notice of such changes to the other party in the manner provided herein.

Section 12. Term

The term of this Agreement shall start on the day and year duly executed by all parties and shall remain in effect until all the terms and conditions contained in this Agreement have been satisfied.

Section 13. Severability

If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from this Agreement and the remaining parts shall remain in full effect as though such invalid or unenforceable provision had not been a part of this Agreement.

Section 14. Binding on Successors and Assigns

Each and every provision of this Agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties hereto, in the same manner as if such parties had been expressly named herein.

Section 15. Governing Law; Venue

This Agreement is made under, and shall in all respects be interpreted, enforced, and governed by, the laws of the State of California. In the event of a dispute concerning the terms of this Agreement, the venue for any legal action shall be with the appropriate court in the County of Tulare, State of California.

Section 16. Exhibits

The Exhibits attached hereto are hereby incorporated herein by this reference.

Section 17. Entire Agreement

This Agreement contains the entire agreement between the parties with respect to the matters contained herein and may be amended only by subsequent written agreement signed by all parties.

Section 18. Compliance with State Law.

Developer is aware of the requirements of California Labor Code Section 1720, et seq., 1770, et seq., and California Code of Regulations, Title 8, Section 1600, et seq., ("Prevailing Wage Laws"),

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Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
Sanitary Sewer & Pavement Restoration					
1	Mobilization	1.0	EA	\$ 68,000.00	\$ 68,000.00
2	Furnish and install approx. 4,277 LF of 48" HDPE triple wall sanitary sewer trunk main on Shirk Street, with sand bedding per the General Detail	4,277.0	LF	\$ 550.00	\$ 2,352,350.00
3	Install all sanitary sewer manholes per the plans: 72" mainline SSMHs per City Std S-3, 72" drop manhole per City Std S-4, one (1) 84" SSMH per Detail X-5 (Sheet CD2), and 72" bypass manholes as shown	13.0	EA	\$ 29,000.00	\$ 377,000.00
4	Provide a complete sewer bypass pumping system	1.0	LS	\$ 120,000.00	\$ 120,000.00
5	Tie to the new Shirk trunk main into the existing 48" sanitary sewer in W. Walnut Ave and into the existing stub south of the lift station; transfer the existing force main to the bypass MH at STA:16+15.96, 78.75' RT, per Keynote 11	1.0	LS	\$ 35,000.00	\$ 35,000.00
6	Jack and bore 50 LF of 72" steel casing (0.75" wall) under the Persian Ditch culvert per Detail X-3	50.0	LF	\$ 5,000.00	\$ 250,000.00
7	Decommission the existing lift station: remove pumps, plates, plugs, pipe and appurtenances; fill the lift station sump with concrete to create a level manhole base per Sanitary Sewer Construction Note 4	1.0	LS	\$ 33,000.00	\$ 33,000.00
8	Terminate the existing 6" PVC force main - (a) full removal	1.0	LS	\$ 55,000.00	\$ 55,000.00
8.1	Terminate the existing 6" PVC force main - abandon in place (cut and cap)	1.0	LS	\$ 2,000.00	\$ 2,000.00
9	Install 4" sanitary sewer service laterals to property lines per Modified City Std S-15 with ADS Inserta Tee per Detail X-3. Stub each lateral 5' from the right of way with marker, install location wire attached to the end of each lateral up to the green marker stake (per Attachment 4 - SJVH Sewer Lateral Standard), and maintain a maximum 5' installed end depth for plumbers to connect to	7.0	EA	\$ 6,500.00	\$ 45,500.00
10	Install 8" and 10" PVC SDR-35 sewer stubs and the Tulare Ave and Parrish Ave side-street connections (Sheets U6 and U&)	82.0	LF	\$ 375.00	\$ 30,750.00
11	SCE pole stabilization/bracing per Utility Keynote 8 (Contractor's responsibility per the plans), and SoCal Gas standby inspection per Special Note 2 (medium-pressure gas main, west side of Shirk)	1.0	LS	\$ 65,000.00	\$ 65,000.00
12	Demolition and pavement restoration: sawcut, grind, and stockpile existing AC; place 3" HMA over 4"-6" reclaimed grindings; install AC dike per Caltrans Standard plan A87B; raise existing manhole castings, valve boxes, and utility covers to finish grade; restore signing, striping, and pavement markings per Sheets S1-S3	119,000.0	SF	\$ 4.00	\$ 476,000.00

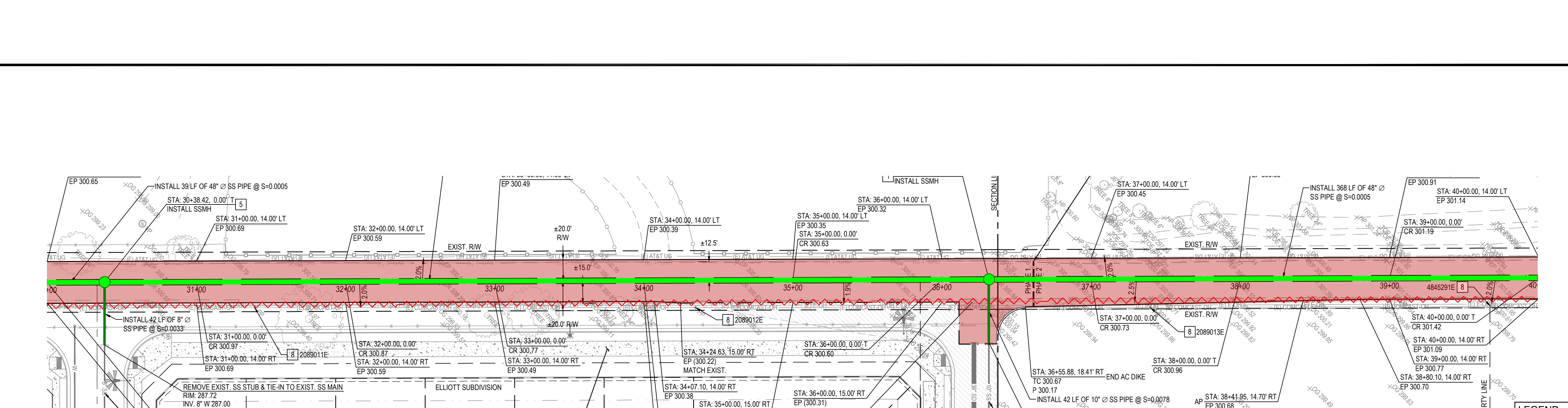
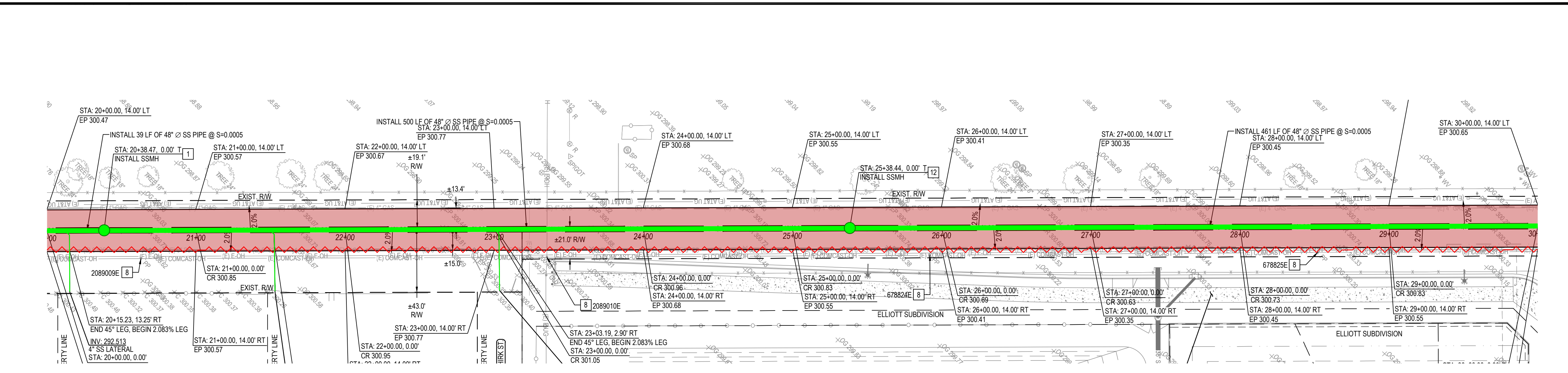
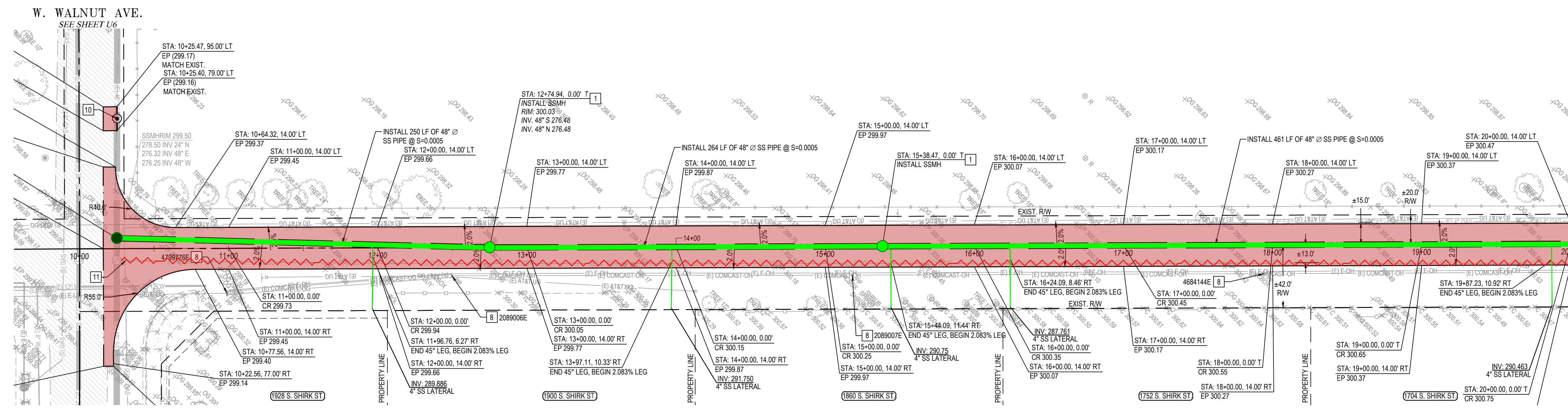
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Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
Sanitary Sewer & Pavement Restoration (Continued)					
13	Traffic control plans, applications, and permits for the work zone (Owner to obtain encroachment/Caltrans permits for full Shirk Street closure; additional traffic control via change order if needed)	1.0	LS	\$ 30,000.00	\$ 30,000.00
14	Krazan Clovis Division to serve as soils compaction agency - scheduling and coordination of testing needs	1.0	LS	\$ 1,500.00	\$ 1,500.00
15	Submit all required stake requests to 4Creeks Engineering with minimum 72-hour notice; schedule all City of Visalia inspections required, including sewer testing and video inspection	1.0	LS	\$ 32,000.00	\$ 32,000.00
16	Site cleanup and organization of debris caused by installation work; cleanup of any excess track-out; SWPPP/DCP violations caused by the work are the sub-contractor's responsibility	1.0	LS	\$ 35,000.00	\$ 35,000.00
Construction Materials Testing & Inspection					
17	Compaction Testing: Sewer	360.0	HR	\$ 140.00	\$ 50,400.00
18	Compaction Testing: Street Subgrade	20.0	HR	\$ 140.00	\$ 2,800.00
19	Compaction Testing: Street Aggregate	20.0	HR	\$ 140.00	\$ 2,800.00
20	Maximum Density Curve	20.0	EA	\$ 240.00	\$ 4,800.00
21	M.D. Checkpoint	20.0	EA	\$ 140.00	\$ 2,800.00
22	Compaction of Asphalt Placement	60.0	HR	\$ 140.00	\$ 8,400.00
23	Asphalt Batch Plant	20.0	HR	\$ 80.00	\$ 1,600.00
24	Hveem Stability/Density	5.0	EA	\$ 385.00	\$ 1,925.00
25	Asphalt Content	10.0	EA	\$ 225.00	\$ 2,250.00
26	Theoretical Maximum Density	5.0	EA	\$ 365.00	\$ 1,825.00
27	Sieve Analysis (AC)	10.0	EA	\$ 225.00	\$ 2,250.00
28	Project Engineer/Manager Site Inspection	10.0	HR	\$ 155.00	\$ 1,550.00
29	Report Preparation/Clerical	10.0	HR	\$ 85.00	\$ 850.00
30	Engineering Review	5.0	HR	\$ 155.00	\$ 775.00
31	Mileage/Trip Charge	70.0	TRIP	\$ 45.00	\$ 3,150.00
32	Sample Pick Up	10.0	HR	\$ 80.00	\$ 800.00
Construction Materials Testing & Inspection					
33	Subdivision Construction Staking - Shirk Street Sewer & Pavement: re-establish horizontal & vertical control; stake site features including Sanitary Sewer Staking (2 phases, Walnut Avenue to Highway 198) and Pavement Staking (2 phases, Walnut Avenue to Highway 198); proved point/cut sheets upon request	1.0	LS	\$ 19,500.00	\$ 19,500.00
Project Management and Oversight					
34	Project Management & Oversight	1.0	LS	\$ 61,748.62	\$ 61,748.62
TOTAL					\$ 4,178,323.62



4CREEKS

324 S. SANTA FE ST. VISALIA, CA 93292
559.802.3052
4CREEKS.COM
INFO@4CREEKS.COM



LEGEND

- SSMH
- 48" SS TRUNK MAIN
- REMOVE EXIST. 6" FORCE MAIN
- 4" SEWER LATERALS
- 8" & 10" STUBS
- 3" HMA / 4"-6" GRINDINGS

DATE	BY	DESCRIPTION

THESE DRAWINGS ARE INSTRUMENTS OF SERVICE AND DESIGN. THE QUALITY OF SERVICE AND DESIGN IS LIMITED TO THE INFORMATION PROVIDED TO 4CREEKS. 4CREEKS IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN THESE DRAWINGS. THESE DRAWINGS ARE EXCLUSIVELY FOR THE PROJECT INDICATED AND SHALL NOT BE TRANSFERRED OR OTHERWISE REPRODUCED WITHOUT EXPRESS WRITTEN PERMISSION FROM 4CREEKS.

SHIRK STREET SANITARY SEWER IMPROVEMENTS

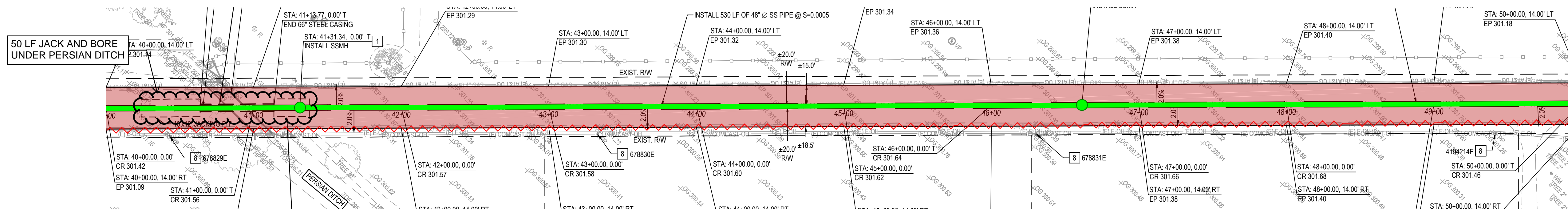
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EXHIBIT 2



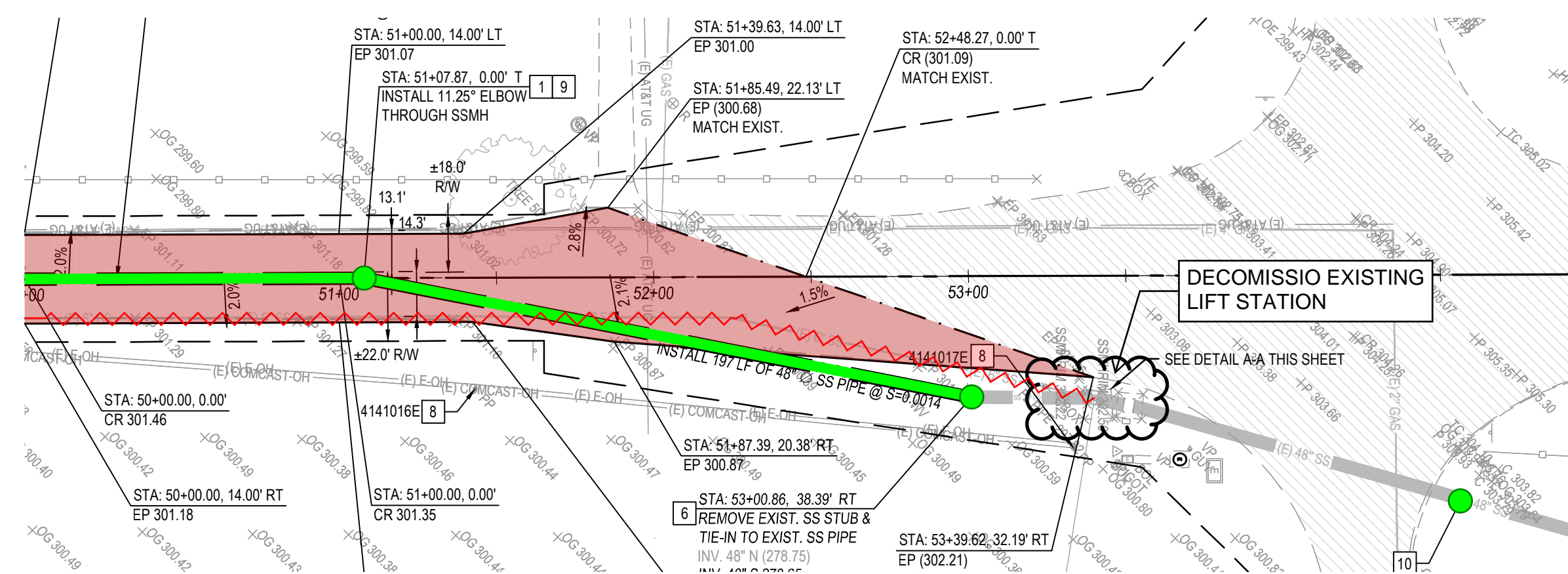
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DATE	BY	DESCRIPTION

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SHIRK STREET SANITARY SEWER IMPROVEMENTS

DATE: 05/08/2026
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EXHIBIT 2