

Orange Countywide Oversight Board

Agenda Item No. 5a

Date: 4/19/2022

From: Successor Agency to the Placentia Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving the Amendment to an Existing Enforceable Obligation by the Successor Agency to the Redevelopment Agency of the City of Placentia

Recommended Action:

Approve resolution approving the amendment to an existing Enforceable Obligation by the Successor Agency to the Redevelopment Agency of the City of Placentia.

The Successor Agency to the Redevelopment Agency of the City of Placentia ("Successor Agency") approved an amendment to the terms of a reimbursement agreement (the "Reimbursement Agreement") originally entered into by the City of Placentia ("City") and the City's former Redevelopment Agency to allow for a refinancing of \$11,145,000 City of Placentia Refunding Certificates of Participation ("COPs") 2003 currently outstanding in the amount of \$2,495,000. Under the terms of the Reimbursement Agreement, the Successor Agency reimburses the City for 87.52% of the annual debt service on the COPs. The Reimbursement Agreement is an approved item on the Successor Agency's Recognized Obligation Payments Schedule (ROPS). Refinancing the 2003 COPs generate general fund savings for all Affected Taxing Entities and will assist the City with preparing for a future financing that will need to use one of the properties (the City's Corporate Yard) currently encumbered under the 2003 COPs' Lease Agreement.

Current Refunding of the 2003 COPs

The City's previously issued \$11,145,000 of Refunding Certificates of Participation ("COPs") that were issued in 2003 to refinance a previously outstanding financing and that have an outstanding balance of \$2,495,000, are "in the money" to be refinanced for savings. This means that once the transaction is completed, annual debt service payments made from the RPTTF will be lower, generating debt service savings for all Affected Taxing Entities. The COPs have a final maturity of January 1, 2028 and had a True Interest Cost ("TIC") of 5.83% at the time of their issuance. The payment of the annual debt service on the COPs is made from RPTTF Revenues through the Reimbursement Agreement (87.52%) and the City's General Fund (12.48%).

In addition to generating savings, the City is interested in releasing one of the properties currently used in the 2003 COPs' underlying lease agreement, specifically its Corporate Yard. Releasing the Corporate Yard from the 2003 Lease Agreement will enable the City to arrange for a new lease revenue-type of financing when the City is ready to finance a proposed new Police Facility, Refinancing the 2003 COPs now while rates are still low will enable the City to regain full control of the Corporate Yard (and two other of its properties) once the 2003 COPs are defeased.

The City has received an offer from First Foundation Public Finance, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank, to refinance these obligations at a rate of 2.35% which would create debt service savings for all Affected Taxing Entities by replacing the 2003 COP's debt service payments with the lower payments to be made on the 2022 Lease Agreement. The 2.35% interest rate is "locked in" until June 7, 2022. The final maturity on this 2022 refinancing will be January 1, 2027, one (1) year sooner than the 2003 COPs' maturity date. This Lease Agreement may also be prepaid without penalty three years after the closing, or 2025.

Fiscal Impact

The Gross Savings have been estimated by the City's Municipal Advisor, Kosmont Transactions Services, to be estimated to be approximately \$21,853 per year to be shared by all the Affected Taxing Entities, including the City, with estimated Net Present Value savings of approximately \$98,369, or NPV savings of approximately 4% of the currently outstanding balance, plus fully retire the COPs, and therefore the Reimbursement agreement on the ROPS, one (1) year earlier than the current final maturity.

Agency Contact

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City of Placentia
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Attachments

- Attachment No. 1: Oversight Board Resolution Approving an Amendment to an Existing Enforceable Obligation
- Attachment No. 2: Approved Placentia Successor Agency Resolution No. RSA-2022-02 for Approving the Form of and Authorizing the Execution and Delivery of a Site Lease Agreement and Amendment to Amended and Restate Reimbursement Agreement

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. _____**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH
OVERSIGHT OF THE SUCCESSOR AGENCY TO THE CITY OF PLACENTIA
APPROVING THE AMENDMENT TO AN EXISTING ENFORCEABLE
OBLIGATION BY THE SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY
OF THE CITY OF PLACENTIA

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Redevelopment Agency of the City of Placentia (the “Former Agency”) has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency to Redevelopment Agency of the City of Placentia (the “Successor Agency”) has become the successor entity to the Former Agency;

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency entered into that certain Amended and Restated Reimbursement Agreement, dated as of November 1, 2003 (the “Reimbursement Agreement”), by and between the City of Placentia (the “City”) and the Former Agency, pursuant to which the Former Agency pledged tax increment revenues to reimburse the City for lease payment made by the City under a Lease Agreement, dated as of November 1, 2003, related to the City’s Certificates of Participation (2003 Refunding and Improvement Project);

WHEREAS, Section 34177.5 authorizes the Successor Agency to amend existing enforceable obligations for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(3) (the “Savings Parameters”);

WHEREAS, to determine compliance with the Savings Parameters, the Successor Agency has prepared an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the amendment to the Reimbursement Agreement (the “Independent Municipal Advisor’s Debt Service Analysis”);

WHEREAS, the Successor Agency has adopted Resolution No. _____ on April 12, 2022 (the “Successor Agency Resolution”), approving the amendment to the Reimbursement Agreement and the form of and authorize the execution and delivery of the Amendment to Amended and Restated Reimbursement Agreement (the “Amendment”), by and between the Successor Agency and the City;

WHEREAS, pursuant to Section 34177.5(f) and Section 34180(b), the amendment to the Reimbursement Agreement is subject to the approval of the Orange Countywide Oversight Board (the “Oversight Board”);

WHEREAS, this Oversight Board desires to approve all matters relating to the amendment to the Reimbursement Agreement as required by Sections 34177.5(f), 34179(j) and 34180 of the California Health and Safety Code.

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD:

Section 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

Section 2. The Oversight Board hereby approves the Successor Agency Resolution. The amendment to the Reimbursement Agreement pursuant to the Amendment, and the pledge of property tax revenues to the reimbursement obligations of the Successor Agency under the Reimbursement Agreement, as amended pursuant to the Amendment in the form submitted herewith, is hereby approved.

Section 3. The Successor Agency is authorized and directed to prepare, approve and execute such other documents and any additional agreements as may be required to carry out the purposes hereof and of the Successor Agency Resolution approving the amendment to the Reimbursement Agreement and related documents without the need for any further approval from the Oversight Board.

Section 4. The Chairman of the Oversight Board and the other officers and members of staff having responsibility for the affairs of the Oversight Board are hereby authorized and directed to execute such documents and certificates as they determine are necessary or appropriate to assist the Successor Agency in the amendment to the Reimbursement Agreement. Every act and matter approved herein is subject to full compliance by the Successor Agency with California Health and Safety Code Section 34177.5 and any and all other applicable law.

Section 5. The Successor Agency is authorized to recover its related costs in connection with the transaction approved hereby.

Section 6. The Clerk of the Board shall certify to the adoption of this Resolution.

RESOLUTION NO. R-2022-18

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA APPROVING THE TERMS OF A PRIVATE PLACEMENT, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE LEASE, A LEASE AGREEMENT, AMENDMENT TO AMENDED AND RESTATED REIMBURSEMENT AGREEMENT AND AN ESCROW DEPOSIT AND TRUST AGREEMENT, AND AUTHORIZING OTHER MATTERS RELATING THERETO

WHEREAS, the City of Placentia (the "City") is a municipal corporation and a charter city duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, it has been proposed that Municipal Finance Corporation, a corporation duly organized and validly existing under and by virtue of the laws of the State of California (the "Corporation") assist the City in refinancing the Certificates of Participation (2003 Refunding and Improvement Project) (the "2003 COPs"); and

WHEREAS, the City has received, and desires to accept, a bid for a private placement with First Foundation Public Finance, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank ("First Foundation"); and

WHEREAS, in connection therewith, the City Council of the City (the "City Council") wishes to proceed with a lease financing in the manner set forth in that certain Lease Agreement described below; and

WHEREAS, the City will lease to the Corporation certain real property (the "Leased Property") pursuant to a Site Lease (the "Site Lease") and the Corporation, concurrently with the execution of the Site Lease, will sublease the Leased Property back to the City pursuant to a Lease Agreement (the "Lease Agreement") in consideration for rental payments and assign certain rights and the rental payments under the Lease Agreement to First Foundation;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA FINDS, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The City Council finds that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

Section 2. The City Council hereby approves an aggregate principal amount of lease payments under the Lease Agreement not to exceed \$2,500,000.

Section 3. The City Council hereby accepts the First Foundation interest rate of 2.35% (assuming no default) for the proposed private placement, subject to the

authorizations and limitations set forth herein and final delivery of the documents authorized hereby.

Section 4. the City Council hereby acknowledges receipt of the good faith estimates of certain information required by Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) as set forth in Exhibit A attached hereto.

Section 5. The City Council hereby approves the form of Site Lease, substantially in the form presented to the City Council and on file with the City Clerk, with such revisions, amendments and completions as shall be approved by the Mayor, the City Administrator, the Finance Director and any of their respective designees (each a "Responsible Officer"), with the advice of special counsel to the City, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The City Council hereby approves the form of Lease Agreement, substantially in the form presented to the City Council and on file with the City Clerk, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of special counsel to the City, such approval to be conclusively evidenced by the execution and delivery thereof

Section 7. The City Council hereby approves the form of Escrow Deposit and Trust Agreement, substantially in the form presented to the City Council and on file with the City Clerk, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of special counsel to the City, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The City Council hereby approves the form of Amendment to Amended and Restated Reimbursement Agreement, substantially in the form presented to the City Council and on file with the City Clerk, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of special counsel to the City, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. In connection with the private placement, the City Council hereby approves the appointment of Nixon Peabody LLP to perform special counsel services, Kosmont Transactions Services, Inc., to perform Municipal Advisor services. Any Responsible Officer is hereby authorized and directed to enter into professional services agreements with each of the foregoing.

Section 10. Each Responsible Officer and other officers of the City are hereby authorized and directed, jointly and severally, for and in the name on behalf of the City, to execute and deliver a placement agent agreement, and any and all other agreements, assignments, documents, certificates and other instruments, and to do any and all things and take any and all actions which may be necessary or advisable in their discretion, to carry out and give effect to the actions which the City has approved in this Resolution.

Section 11. All actions heretofore taken by any Responsible Officer or any officer, employee or agent of the City in connection with or related to any of the agreements referred to herein, are hereby approved, confirmed and ratified.

Section 12. This Resolution may be executed with electronic signatures in accordance with the Government Code of the State of California, Section 16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

Section 13. This Resolution becomes effective immediately upon adoption.

PASSED, APPROVED, AND ADOPTED this 12th Day of April 2022.



Rhonda Shader, Mayor

Attest:



Robert S. McKinnell, City Clerk



STATE OF CALIFORNIA
COUNTY OF ORANGE

I, Robert S. McKinnell, City Clerk of the City of Placentia, do hereby certify that the foregoing Resolution was adopted at a Special meeting of the City Council of the City of Placentia, held on the 12th day of April 2022 by the following vote:

AYES:	Councilmember:	Green, Smith, Yamaguchi, Shader
NOES:	Councilmember:	None
ABSENT:	Councilmember:	Wanke
ABSTAIN:	Councilmember:	None



Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:



Christian L. Bettenhausen, City Attorney

EXHIBIT A

Good Faith Estimates

The following information was obtained from Kosmont Transactions Services, Inc., serving as municipal advisor to the City, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Lease Agreement:

1. True Interest Cost of the Lease Agreement. A good faith estimate of the true interest cost of the Lease Agreement, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Lease Agreement, is 2.3501%.

2. Finance Charge of the Lease Agreement. A good faith estimate of the finance charge of the Lease Agreement, which means the sum of all fees and charges paid to third parties, is \$123,500.00.

3. Amount of Proceeds to be Received. A good faith estimate of the amount of proceeds expected to be received for sale of the Lease Agreement less the finance charge of the Lease Agreement described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Lease Agreement, is \$2,017,677.97

4. Total Payment Amount. A good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Lease Agreement plus the finance charge of the Lease Agreement described in paragraph 2 above not paid with the proceeds of the Lease Agreement, calculated to the final maturity of the Lease Agreement, is \$2,270,216.37

RESOLUTION NO. RSA-2022-02

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA APPROVING AN AMENDMENT TO AN EXISTING ENFORCEABLE OBLIGATION, REQUESTING OVERSIGHT BOARD APPROVAL OF THE AMENDMENT TO AN EXISTING ENFORCEABLE OBLIGATION, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Redevelopment Agency of the City of Placentia (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency to Redevelopment Agency of the City of Placentia (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency entered into that certain Amended and Restated Reimbursement Agreement, dated as of November 1, 2003 (the "Reimbursement Agreement"), by and between the City of Placentia (the "City") and the Former Agency, pursuant to which the Former Agency pledged tax increment revenues to reimburse the City for lease payment made by the City under a Lease Agreement, dated as of November 1, 2003, related to the City's Certificates of Participation (2003 Refunding and Improvement Project);

WHEREAS, Section 34177.5 authorizes the Successor Agency to amend existing enforceable obligations for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(3) (the "Savings Parameters");

WHEREAS, to determine compliance with the Savings Parameters, the Successor Agency has prepared an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the amendment to the Reimbursement Agreement (the "Independent Municipal Advisor's Debt Service Analysis");

WHEREAS, the Successor Agency desires at this time to approve the amendment to the Reimbursement Agreement and to approve the form of and authorize the execution and delivery of the amendment to the Reimbursement Agreement;

WHEREAS, pursuant to Section 34177.5(f) and Section 34180(b), the amendment to the Reimbursement Agreement is subject to the approval of the Orange Countywide Oversight Board (the "Oversight Board");

NOW, THEREFORE, the Successor Agency to Redevelopment Agency of the City of Placentia **RESOLVES** as follows:

1. Determination of Savings. The Successor Agency has determined that there are potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the amendment to the Reimbursement Agreement, all as evidenced by the Independent Municipal Advisor's Debt Service Analysis on file with the Secretary of the Successor Agency, which Independent Municipal Advisor's Debt Service Analysis is hereby approved.

2. Approval of Amendment to the Reimbursement Agreement. The Successor Agency hereby approves the Amendment to the Reimbursement Agreement. Each of the Mayor of the City, as the Chairman and presiding officer of the Successor Agency, the City Administrator of the City, as the Executive Director of the Successor Agency, and the Finance Director of the City, as the Finance Director of the Successor Agency, on behalf of the Successor Agency (each, an "Authorized Officer"), is hereby authorized and directed to execute and deliver, and the City Clerk of the City, as the Secretary of the Successor Agency, on behalf of the Successor Agency, is hereby authorized and directed to attest to, the Amendment to the Reimbursement Agreement for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Amendment to the Reimbursement Agreement.

3. Oversight Board Approval of the Amendment to the Reimbursement Agreement. The Successor Agency hereby requests the Oversight Board, as authorized by Section 34177.5(f) and Section 34180 to approve the amendment to the Reimbursement Agreement pursuant to Section 34177.5(a)(3) and this Resolution.

4. Filing of Independent Municipal Advisor's Debt Service Analysis and Resolution. The Successor Agency is hereby authorized and directed to file the Independent Municipal Advisor's Debt Service Analysis, together with a copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j) with the Orange County Administrative Officer, the Orange County Auditor-Controller and the California Department of Finance.

5. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance and in the amendment to the Reimbursement Agreement. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer

by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

6. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

PASSED, APPROVED AND ADOPTED by the Successor Agency to Redevelopment Agency of the City of Placentia at a special meeting held on the 12th day of April, 2022, by the following vote:

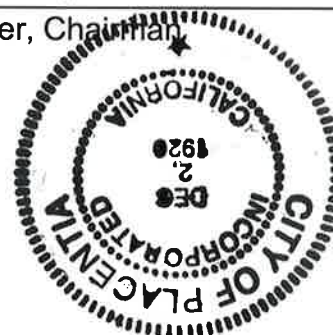


Rhonda Shader, Chairman

Attest:

By: 

Robert S. McKinnell, Secretary



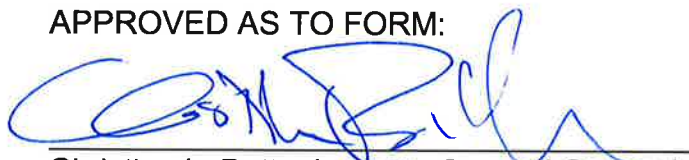
I, Robert McKinnell, Secretary of the Successor Agency to the Redevelopment Agency of the City of Placentia do hereby certify that the foregoing Resolution No. RSA-2022-021 was adopted at a Special meeting of the City Council acting as the Successor Agency to the Redevelopment Agency of the City of Placentia held on the 12th day of April 2022 by the following vote:

AYES:	Councilmembers:	Green, Smith, Yamaguchi, Shader
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Wanke
ABSTAIN:	Councilmembers:	None



Robert McKinnell, Agency Secretary

APPROVED AS TO FORM:



Christian L. Bettenhausen, General Counsel

**AMENDMENT TO
AMENDED AND RESTATED
REIMBURSEMENT AGREEMENT**

by and between

CITY OF PLACENTIA

and

**SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY
OF THE CITY OF PLACENTIA**

Dated as of _____ 1, 2022

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**AMENDMENT TO
AMENDED AND RESTATED REIMBURSEMENT AGREEMENT**

THIS AMENDMENT TO AMENDED AND RESTATED REIMBURSEMENT AGREEMENT (this “Amendment”) executed and entered into as of _____ 1, 2022, is by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA, a successor agency to the Redevelopment Agency of the City of Placentia (the “Successor Agency”), and the CITY OF PLACENTIA, a charter city organized and existing under and by virtue of the laws of the State of California (the “City”).

RECITALS

WHEREAS, the City and the Redevelopment Agency of the City of Placentia (the “Former Agency”) previously entered into that certain Amended and Restated Reimbursement Agreement, dated as November 1, 2003 (the “Reimbursement Agreement”), pursuant to which the Former Agency pledged tax increment revenues to reimburse the City for all lease payments made by the City under the Lease Agreement, dated as of November 1, 2003 (the “2003 Lease”), by and between the City and the Former Agency, related to the City’s Certificates of Participation (2003 Refunding and Improvement Project) (the “2003 COPs”); and

WHEREAS, the City intends to refinance the 2003 COPs to lower the lease payments payable under the 2003 Lease; and

WHEREAS, in connection with the refinancing of the 2003 COPs, the City and Municipal Finance Corporation will enter into a Lease Agreement (the “2022 Lease Agreement”);

WHEREAS, the City and the Successor Agency desire to amend the Reimbursement Agreement to allow for continued reimbursement of lease payments payable under the 2022 Lease Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Amendment do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Amendment;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

PART 1

PARTICULAR AMENDMENTS

Part 1.1 Amendment to Section 1. Section 1 of the Reimbursement Agreement is hereby amended to include the following definition:

“2022 Lease Agreement” means that Lease Agreement, by and between the City and Municipal Finance Corporation, recorded on _____, 2022 as Instrument No. _____ in the official records of the County of Orange.

Part 1.2 Amendment to Section 2. All references to November 2003 Lease shall be changed to 2022 Lease Agreement.

Part 1.3 Amendment to Exhibit A. Exhibit A of the Reimbursement Agreement is hereby replaced with Exhibit A of this Amendment.

PART 2

MISCELLANEOUS

Part 2.1 Effect of Amendment. This Amendment and all of the terms and provisions herein contained shall form part of the Reimbursement Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Reimbursement Agreement. The Reimbursement Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as heretofore amended and supplemented, and as amended and supplemented hereby. If there shall be any conflict between the terms of this Amendment and the terms of the Reimbursement Agreement (as in effect on the day prior to the effective date of this Amendment), the terms of this Amendment shall prevail.

Part 2.2 Execution in Counterparts. This First Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Part 2.3 Effective Date. This Amendment shall become effective upon the effective date of the 2022 Lease Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Successor Agency and the City have caused this Amendment to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF PLACENTIA**

By: _____
Executive Director

CITY OF PLACENTIA

By: _____
City Administrator

EXHIBIT A

AMOUNTS TO BE REIMBURSED