

Section 3. Reimbursement by the Agency

The Agency shall pay to the City, on a pro rata basis with all other funding sources, all amounts submitted and verified as completed according to the amounts specified in Exhibit "A," with the total reimbursement amount not to exceed the Agency's share as set forth in the "Project funding sources and amount" table in Exhibit "A". The parties recognize that repayment may occur over a period of time. The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency within the meaning of Section 33670 *et seq.* of the Community Redevelopment Law. The Agency may issue the repayment required hereunder from any revenue sources legally available to it, including but not limited to tax increment and/or Agency bond proceeds.

Section 4. Obligation to Pay Subordinate to Other Obligations

The obligation of the Agency to make payment to the City shall, without necessity of further action by the Agency or City, be junior and subordinate to all other obligations or indebtedness heretofore to hereafter voluntarily incurred by the Agency.

Notwithstanding the foregoing, this Agreement constitutes an indebtedness of the Agency and a pledging of tax allocations from Project Area No. 1 to repay the indebtedness, under the provisions of Section 16 of Article XVI of the California Constitution and Sections 33670-33674 of the Health and Safety Code; provided, however, that the pledge of tax allocations shall always be subordinate and subject to the right of the Agency to pledge or commit tax allocations from Project Area No. 1 to repay bonds or other indebtedness incurred by the Agency.

Section 5. Limit on Total Outstanding Advances by City to Agency

The total amount of outstanding advances made by the City to the Agency in any fiscal year pursuant to this Agreement and pursuant to any other cooperation agreement or any agreement for advance and reimbursement of administrative and overhead expenses shall not exceed the aggregate amount of anticipated tax increment revenue and other financing sources available to the Agency in that fiscal year.

Section 6. Effect and Duration of Covenants

The covenants established in this Agreement shall, without regard to technical classification and designation, be binding on the parties hereto and their successors in interest.

Section 7. Nonliability of Officials and Employees

No Agency Board member, Councilmember, or Treasurer, and no official, agent, or employee or agent of the 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 Agency or the City, or for any amount which may become due to the City or Agency, or successor, or on any obligations under the terms of this Agreement.

