



City Council Agenda

Tuesday, October 17, 2017

5:45 p.m. - Closed Session

6:30 p.m. - Study Session

7:00 p.m. - General Session

Cecilia Hupp, Mayor

Glenn Parker, Mayor Pro Tem

Christine Marick, Council Member

Marty Simonoff, Council Member

Steven Vargas, Council Member

This agenda contains a brief general description of each item Council will consider. The City Clerk has on file copies of written documentation relating to each item of business on this Agenda available for public inspection. Contact the City Clerk's Office at (714) 990-7756 or view the Agenda and related materials on the City's website at www.cityofbrea.net. Materials related to an item on this agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 1 Civic Center Circle, Brea, CA during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

Procedures for Addressing the Council

The Council encourages interested people to address this legislative body by making a brief presentation on a public hearing item when the Mayor calls the item or address other items under **Matters from the Audience**. State Law prohibits the City Council from responding to or acting upon matters not listed on this agenda.

The Council encourages free expression of all points of view. To allow all persons the opportunity to speak, please keep your remarks brief. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of your entire group. Council rules prohibit clapping, booing or shouts of approval or disagreement from the audience. PLEASE SILENCE ALL PAGERS, CELL PHONES AND OTHER ELECTRONIC EQUIPMENT WHILE COUNCIL IS IN SESSION. Thank you.

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 990-7757. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

Important Notice

The City of Brea shows both live broadcasts and replays of City Council Meetings on Brea Cable Channel 3 and over the Internet at www.cityofbrea.net. Your attendance at this public meeting may result in the recording and broadcast of your image and/or voice as previously described.

CLOSED SESSION
5:45 p.m. - Executive Conference Room
Level Three

CALL TO ORDER / ROLL CALL - COUNCIL

1. Public Comment

Closed Session may convene to consider matters of purchase / sale of real property (G. C. §54956.8), pending litigation [G.C. §54956.9(d)(1)], potential litigation [G.C. §54956.9(d)(2)(3) or (4)], liability claims (G. C. §54961) or personnel items (G.C. §54957.6). Records not available for public inspection.

2. Potential Litigation - Conference with Legal Counsel Pursuant to Govt. Code §54956.9 - One Case - McCarthy Building Companies, Inc., for the Brea Superblock I Parking Structure - City Engineer Kooyman

3. Conference with City's Labor Negotiator Pursuant to Government Code 54957.6 Regarding the Administrative and Professional Employees' Association (APEA) - Chris Emeterio and Mario Maldonado, Negotiators

STUDY SESSION
6:30 p.m. - Executive Conference Room
Level Three

CALL TO ORDER / ROLL CALL - COUNCIL

4. Public Comment

5. Clarify Regular Meeting Topics

DISCUSSION ITEM

6. Republic Services Contract Update

7. Mayor Appointment of Delegate and Alternate for the National League of Cities 2017 City Summit in Charlotte, North Carolina

REPORT

8. Council Member Report

GENERAL SESSION
7:00 p.m. - Council Chamber
Plaza Level

CALL TO ORDER/ ROLL CALL - COUNCIL

9. **Pledge of Allegiance: Brea Girl Scouts**
10. **Invocation: Pastor Kirk Randolph, Southlands Brea**
11. **Commendation: Andrew Kim, Spoonful Corporation**
12. **Proclamation: Red Ribbon Week**
13. **Brea Centennial Update**
14. **Presentation of Check from California Domestic Water Company for Landscape Improvements at Brea Community Center**
15. **Report - Prior Study Session**
16. **Community Announcements**
17. **Matters from the Audience**
18. **Response to Public Inquiries - Mayor / City Manager**

ADMINISTRATIVE ITEMS - *This agenda category is for City Council consideration of a wide variety of topics related to the City's operations. Public comments regarding items in this section should be presented during "Matters from the Audience."*

19. **Brea Envisions Committee Final Report** - Receive Presentation from Brea Envisions Committee and Receive and File Final Report.
20. **Brea Core Process Update** - Receive Presentation Regarding Proposed Planning Process and Provide any Further Desired Direction to Staff.
21. **Authorize the Issuance of Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2017 Special Tax Refunding Bonds and Approve Related Documents and Actions** - Adopt **Resolution 2017-065**, Authorizing the Issuance of Refunding Bonds.

PUBLIC HEARING - *This portion of the meeting is for matters that legally require an opportunity for public input. Audience participation is encouraged and is limited to 5 minutes per speaker.*

22. **Extension of Interim Ordinance No. 1190, Prohibiting All Commercial Non-Medical Cannabis Activity and Uses in the City, Including Outdoor Cultivation on Private Residences and Declaring the Urgency Thereof** - Conduct a Public Hearing to Adopt **Ordinance No. 1197**, Approving an Extension of Interim Ordinance No. 1190 for One (1) Year or Until Repealed Pursuant to California Government Code Section 65858(b), and Approve the Issuance of the Section 65858(d) Report Describing the Measures Taken to Alleviate the Condition Which Led to the Adoption of the Ordinance.

CONSENT CALENDAR - *The City Council/Successor Agency approves all Consent Calendar matters with one motion unless Council/Agency or Staff requests further discussion of a particular item. Items of concern regarding Consent Calendar matters should be presented during "Matters from the Audience."*

CITY COUNCIL - CONSENT

23. **October 3, 2017 City Council Regular Meeting Minutes** - Approve.
24. **June 14, 2017 and September 13, 2017 Cultural Arts Commission Meeting Minutes** - Receive and File.
25. **Dragon Dictation Purchase** - Authorize the Purchase of Dragon Software from SHI in the Amount of \$38,115 for Law Enforcement Specific Voice Recognition Software for the Police Department. The Police Department Anticipates Realizing a Cost Savings Starting in Year Three (3) of approximately \$14,000.
26. **Accela Land Management Hosted Permitting Software Upgrade** - Approve Agreement to Authorize the Purchase of Accela Land Management Hosted Software for Community Development (Building Plan Check & Inspection, Code Enforcement, Planning), Public Works (Engineering), Fire (Prevention & Inspection) in the Amount of \$52,536.00 Per Year for Three (3) Consecutive One (1) Year Terms. The City Council Approved a Decision Package and Funding for this Proposed Software System in its Adopted 2017/18 Budget to Provide New Efficiencies Regarding Development Permit Processing and Records Management.
27. **Byrne Software Technologies, Inc. Permitting Software Workflow Implementation Contract** - Authorize the Contract with Byrne Software Technologies, Inc. for the Multi-Department Permitting System, in the Amount of \$72,000 for a One (1) Year Workflow Implementation Agreement. There is a Shortfall in the Approved Budget for the Accela Installation, Therefore Staff is Requesting an Additional \$42,000 be Allocated into the Budget for the One-Time Implementation Cost.
28. **Acceptance of Contract and Notice of Completion for Contract with O'Duffy Bros., Inc. and Appropriate Additional Funds for the Glenbrook Tract Water and Street Improvements, Project 7452** - 1) Accept the Project as Complete and Authorize the City Clerk to Record Notice of Completion; 2) Authorize the City Clerk to Release the Payment and Performance Bond Upon Notification from Public Works Department; 3) Adopt **Resolution 2017-066** to Appropriate an Additional \$63,750 from the Water Fund (Fund 420) and \$61,250 from Measure M (Fund 260) in the Sum Total of \$125,000 for the Project Construction Contingency and Administration; and 4)

Increase the Construction Contingency from 22% to 28%.

29. **Public Water Easements for La Floresta Development Planning Area 11** - Accept Easements and Authorize City Clerk to Execute and Record the Easements. Maintenance Costs Associated With the Public Water Lines Are Funded Through the City's User Fees. Therefore, There will be no General Fund Impact from these Improvements.
30. **October 6 and 13, 2017 City Check Registers** - Approve.

ADMINISTRATIVE ANNOUNCEMENTS

31. **City Manager**
32. **City Attorney**

COUNCIL ANNOUNCEMENTS

ADJOURNMENT

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/17/2017

SUBJECT: Authorize the Issuance of Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2017 Special Tax Refunding Bonds and Approve Related Documents and Actions

RECOMMENDATION

Adopt resolution authorizing the issuance of refunding bonds.

BACKGROUND/DISCUSSION

In December 2009, the City issued \$8,145,000 in City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2009 Special Tax Bonds. The proceeds of the bonds were used to assist in the funding of the improvements within the flood control channel and the related surface parking. Currently, there are outstanding bonds available for refunding (refinancing) in the amount of \$7,740,000.

The City's Local Debt Policy requires at least a 3.0% net present value savings the refunding of bonds. The proposed refunded bonds have a projected 20.5% net present value savings. It is anticipated that refunding of the 2009 Special Tax Bonds will produce an average annual reduction of bond payments of approximately \$115,000 each year. The refunding bonds will be paid over the remaining term of the bonds which is 2039. This annual bond payment reduction will be used to lower the special taxes of the sole property owner in the district. The annual savings in bond payments is still subject to change when the bonds are priced (sold) within the next two weeks. The bond closing is currently scheduled for November 15, 2017.

The repayment of the refunding bonds is secured solely by the special taxes assessed in the community facilities district and the City of Brea has no obligation to use any of its resources for repayment of these bonds.

Moving forward with the issuance of these bonds requires the adoption of a resolution authorizing the issuance of City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2017 Special Tax Bonds in the amount not to exceed \$9,500,000. The resolution authorizes all of the necessary actions relating to the proposed financing, including the approval of various bond documents (attached and available for review at the City Clerk's Office), hiring bond counsel and other professional services, and directing City officials to execute all of the related documents and other actions to successfully complete the transaction.

The Preliminary Official Statement (bond offering document) contains excerpts from various bond documents along with the history of the special tax revenues pledged for repayment of the bonds. It is anticipated that the bonds will be closed in November 2017.

COMMISSION/COMMITTEE RECOMMENDATION

The proposed bond financing was discussed by the Finance Committee on October 10, 2017, and recommended that it be brought forward to the City Council for approval.

FISCAL IMPACT/SUMMARY

The issuance of refunding bonds will result in the average annual reduction of \$115,000 in bond payments. The repayment of the refunding bonds is secured solely by the special taxes assessed in the community facilities district. The City of Brea has no obligation to use any of its revenues for the repayment of these bonds. All costs of issuance, including City staff time, will be paid out of the proceeds from the bonds. Therefore, there is no financial impact on the City.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Lee Squire, Accounting and Auditing Manager

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Resolution 2017-065

Fiscal Agent Agreement

Escrow Agreement

Bond Purchase Contract

Preliminary Official Statement

RESOLUTION NO. 2017-065

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA AUTHORIZING THE ISSUANCE OF COMMUNITY FACILITIES DISTRICT NO. 2008-2 (BREA PLAZA AREA PUBLIC IMPROVEMENTS) 2017 SPECIAL TAX REFUNDING BONDS, AND APPROVING RELATED DOCUMENTS AND ACTIONS

A. RECITALS

(i) The City Council of the City of Brea (the “City”) has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), to form the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) (the “District), to authorize the levy of special taxes upon the land within the District, and to issue bonds secured by said special taxes to finance certain public improvements authorized to be funded by the District.

(ii) On December 22, 2009, the City issued, for and on behalf of the District, its City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2009 Special Tax Bonds (the “Prior Bonds”), pursuant to a Fiscal Agent Agreement, dated as of December 1, 2009 (the “Prior Fiscal Agent Agreement”), between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Prior Fiscal Agent”).

(iii) Due to favorable interest rates in the financial markets, the City Council has determined that it is in the best interests of the City and the District that the Prior Bonds be refunded.

(iv) There has been submitted to the City Council a fiscal agent agreement (the “Fiscal Agent Agreement”), between the City, for and on behalf of the District, and the Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Fiscal Agent”),

providing for the issuance of special tax refunding bonds (the “Bonds”) of the City for and on behalf of the District under the authority provided in the Act and Article 11, commencing with Section 53580, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Refunding Law”), and the City Council, with the aid of City staff, has reviewed the Fiscal Agent Agreement and found it to be in proper order, and now desires to approve the Fiscal Agent Agreement and the issuance of the Bonds.

(v) There has been presented to the City Council an escrow agreement (the “Escrow Agreement”) providing for the creation of a refunding fund which will be used to defease and refund the Prior Bonds, and the City Council now desires to approve such agreement in connection with the refunding of the Prior Bonds.

(vi) There has been presented to the City Council a preliminary official statement (the “Preliminary Official Statement”) describing the Bonds, and the City Council now desires to approve the Preliminary Official Statement in connection with the marketing of the Bonds to prospective purchasers of the Bonds.

(vii) There has been presented to the City Council a bond purchase agreement (the “Purchase Contract”) to be executed by the City, for and on behalf of the District, and Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), and the City Council now desires to approve such agreement in connection with the sale of the Bonds.

(viii) There has been presented to the City Council a continuing disclosure certificate (the “Continuing Disclosure Certificate”) to be executed by the City, for and on behalf of the District, and a dissemination agent, and the City Council now desires to approve such certificate in connection with the sale of the Bonds.

(ix) It appears that each of said documents and instruments which are now before this meeting is in appropriate form and is an appropriate document or instrument to be executed and delivered for the purpose intended.

(x) All conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act and the Refunding Law.

B. RESOLUTION

NOW, THEREFORE, it is found, determined, and resolved by the City Council of the City of Brea as follows:

1. Issuance of Bonds; Approval of Fiscal Agent Agreement and Escrow Agreement. Pursuant to the Refunding Law, the Act, this Resolution and the Fiscal Agent Agreement, special tax refunding bonds of the City for the District designated as “City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2017 Special Tax Refunding Bonds” in an aggregate principal amount not to exceed \$9,500,000 are hereby authorized to be issued. The Bonds shall be executed in the form set forth in and otherwise as provided in the Fiscal Agent Agreement.

In furtherance of the issuance of the Bonds, the City Council hereby makes the following findings and determinations: (i) it is prudent in the management of the fiscal affairs of the City and the District to issue the Bonds for the purpose of refunding the Prior Bonds, (ii) the total net interest cost to maturity on the Bonds plus the principal amount of

the Bonds will not exceed the total net interest cost to maturity on the Prior Bonds to be refunded plus the principal amount of the Prior Bonds to be refunded, and (iii) the Bonds satisfy the requirements of Section 53345.8(a) of the Act in that the value of the land in the District, as set forth in the Appraisal Report with respect to the property in the District subject to the levy of special taxes for the District provided by Seevers Jordan Ziegenmeyer, is more than three times the principal amount of the Bonds. The City Council hereby further finds and determines that the Bonds are in compliance with the Amended and Restated Local Goals and Policies for Community Facilities Districts – Commercial Property, adopted by the City Council on October 21, 2008 and the City’s Local Debt Policy, as adopted by the City Council on June 6, 2017.

The City Council hereby approves the Fiscal Agent Agreement in the form on file with the City Clerk. The Mayor, the Mayor Pro Tem, and the City Manager (collectively, the “Designated Officers”), each acting alone, are hereby authorized to execute the Fiscal Agent Agreement, for and in the name and on behalf of the City and the District, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Designated Officer executing the Fiscal Agent Agreement upon consultation with the City Attorney and Bond Counsel. The proceeds of the Bonds shall be applied by the City for the purposes and in the amounts as set forth in the Fiscal Agent Agreement. The City Council hereby authorizes the delivery and performance by the City of the Fiscal Agent Agreement. For purposes of Section 53363.2 of the Act, (i) it is expected that the purchase of the Bonds will occur on or after October 25, 2017, (ii) the date, denomination, maturity dates, places of payment and form of the Bonds shall be as set forth in the Fiscal Agent Agreement, (iii) the minimum rate of interest to be paid on the

Bonds shall be one-quarter percent (0.25%) with the actual rate or rates to be set forth in the Fiscal Agent Agreement as executed, (iv) the place of payment for the Prior Bonds shall be as set forth in the fiscal agent agreement for the Prior Bonds; and (v) the designated costs of issuing the Bonds shall be as described in Section 53363.8(a) of the Act, and as otherwise described in the Fiscal Agent Agreement and the closing certificates for the Bonds, including Bond Counsel and Disclosure Counsel fees and expenses, municipal advisor fees and expenses, initial Fiscal Agent fees, and costs of the City Attorney and City staff incurred in connection with the sale and issuance of the Bonds and the refunding of the Prior Bonds.

The City Council hereby approves the refunding of the Prior Bonds with the proceeds of the Bonds, in accordance with the provisions of the Prior Fiscal Agent Agreement and the Escrow Agreement between the City and the Prior Fiscal Agent, as Escrow Bank. The City Council hereby approves the Escrow Agreement in the form on file with the City Clerk. The City Council hereby authorizes the Designated Officers, each acting alone, to execute and deliver the Escrow Agreement, for and in the name and on behalf of the City and the District, in such form, together with any changes therein or additions thereto deemed advisable by the Designated Officer executing the Escrow Agreement upon consultation with the City Attorney and Bond Counsel. The City Council hereby authorizes the delivery and performance by the City of the Escrow Agreement.

2. Purchase Contract. The City Council hereby approves the Purchase Contract in the form on file with the City Clerk. The Designated Officers, each acting alone, are hereby authorized to accept the offer of the Underwriter to purchase the Bonds contained in the Purchase Contract; provided that (i) the aggregate principal amount of

the Bonds sold thereby is not in excess of \$9,500,000, (ii) the true interest cost of the Bonds is not in excess of 6.0%, (iii) the Underwriter's discount is not in excess of 2.0% of the aggregate principal amount of the Bonds, and (iv) the requirements of clause (iii) of the second paragraph of Section 1 above are satisfied. The Designated Officers, each acting alone, are hereby authorized to execute and deliver the Purchase Contract in said form (if the requirements of the preceding sentence are satisfied), with such additions thereto or changes therein as are recommended or approved by the Designated Officer executing such document upon consultation with the City Attorney and Bond Counsel. The City Council hereby authorizes the delivery and performance by the City of the Purchase Contract.

The City Council hereby finds and determines that (i) the issuance of the Bonds should proceed for the public policy reason that, as a result of such issuance, the annual special taxes that may be levied on property in the District to pay the debt service on the Bonds will be lower than the annual special taxes currently being levied on property in the District to pay the debt service on the Prior Bonds, and (ii) the sale of the Bonds by negotiated sale to the Underwriter will result in a lower overall cost.

3. Preliminary Official Statement. The Preliminary Official Statement in the form on file with the City Clerk is hereby approved. The Designated Officers are hereby authorized, for and in the name and on behalf of the City, to make changes to the Preliminary Official Statement prior to its dissemination to prospective investors, and to bring the Preliminary Official Statement into the form of a final official statement (the "Official Statement"), including in each case such additions thereto or changes therein as are recommended or approved by any such officer upon consultation with the City

Attorney and Disclosure Counsel. The Mayor is hereby authorized and directed to execute and deliver the Official Statement. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and is directed to deliver copies of the Official Statement to all actual purchasers of the Bonds.

The Designated Officers, each acting alone, are hereby authorized to execute a certificate or certificates to the effect that the Official Statement and the Preliminary Official Statement were deemed “final” as of their respective dates for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, and each Designated Officer is authorized to so deem such statements final.

4. Continuing Disclosure Certificate. The Continuing Disclosure Certificate in the form appended as Appendix D to the Preliminary Official Statement is hereby approved. The Designated Officers, each acting alone, are hereby authorized, for and in the name of and on behalf of the City, to execute and deliver the Continuing Disclosure Certificate in said form, with such additions thereto or changes therein as are deemed necessary, desirable or appropriate by the Designated Officer executing the Continuing Disclosure Certificate upon consultation with the City Attorney and Disclosure Counsel, the approval of such changes to be conclusively evidenced by the execution and delivery by a Designated Officer of the Continuing Disclosure Certificate. The City Council hereby authorizes the delivery and performance by the City of the Continuing Disclosure Certificate.

5. Delivery of the Bonds. The Bonds, when executed, shall be delivered to the Fiscal Agent for authentication. The Fiscal Agent is hereby requested and directed to

authenticate the Bonds by executing the Fiscal Agent's certificate of authentication and registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the City by the City Manager or the Administrative Services Director, which instructions such officers, each acting alone, are hereby authorized, for and in the name and on behalf of the City, to execute and deliver to the Fiscal Agent. Such instructions shall provide for the delivery of the Bonds to the Underwriter in accordance with the Purchase Contract, upon payment of the purchase price therefor.

6. Fiscal Agent for Bonds. The Bank of New York Mellon Trust Company, N.A., is hereby designated to act as (a) the Fiscal Agent and to perform the actions and duties required of the Fiscal Agent under the Fiscal Agent Agreement, including those for the authentication, transfer, registration, and payment of the Bonds; and (b) as Escrow Bank under the Escrow Agreement and to perform the actions and duties required of the Escrow Bank under the Escrow Agreement. The City Manager is hereby authorized to enter into an agreement with the Fiscal Agent for its services as the Fiscal Agent under the Fiscal Agent Agreement and for its services as the Escrow Bank under the Escrow Agreement.

7. Bond Counsel, Disclosure Counsel and Municipal Advisor. The law firm of Quint & Thimmig LLP is hereby designated as Bond Counsel to the City for the Bonds, the firm of Richards Watson & Gershon is hereby designated as Disclosure Counsel to the City for the Bonds and the firm of Fieldman Rolapp & Associates is hereby designated as Municipal Advisor to the City for the Bonds. The City Manager is hereby authorized to

execute agreements with said firms for their services in connection with the Bonds in the respective forms on file with the City Clerk.

8. Foreclosure Covenant. The City hereby covenants, for the benefit of the Bondowners, to commence and diligently pursue to completion any foreclosure action regarding delinquent installments of any amount levied as a special tax for the payment of interest or principal of the Bonds, said foreclosure action to be commenced and pursued as more completely set forth in the Fiscal Agent Agreement.

9. Reduction in Maximum Special Tax Amounts. In consultation with the owner of all of the property in the District subject to the levy of special taxes by the City for the District (the "Special Tax"), the City has determined that all of the facilities intended to be funded by the District have been completed, and any future issuance of bonds by the City for the District, following the issuance of the Bonds, will only be for refunding purposes. The Administrative Services Director of the City (as the CFD Administrative Director) and other members of the City Staff are hereby directed to determine an applicable permanent maximum Special Tax reduction pursuant to the method specified in Section C.3 of the Rate and Method of Apportionment of Special Taxes for the District, as approved pursuant to Resolution No. 2008-90 adopted by the City Council on December 2, 2008, and the Administrative Services Director is hereby directed to cause the notice referred to in Step 5 of said section to be recorded, as specified therein.

10. Official Actions. All actions heretofore taken by the officers and agents of the City with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all

certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and the refunding of the Prior Bonds in accordance with this Resolution, and any certificate, agreement, and other document described in the documents herein approved.

11. Effective Date. This Resolution shall take effect upon its adoption.

APPROVED AND ADOPTED this 17th day of October, 2017.

Cecilia Hupp, Mayor

ATTEST:

Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the forgoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the 17th day of October, 2017, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

DATE: _____

Lillian Harris-Neal, City Clerk

FISCAL AGENT AGREEMENT

by and between the

CITY OF BREA, CALIFORNIA

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Fiscal Agent**

dated as of November 1, 2017

relating to:

\$_____

City of Brea

**Community Facilities District No. 2008-2
(Brea Plaza Area Public Improvements)
2017 Special Tax Refunding Bonds**

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EXHIBIT A – FORM OF 2017 BOND

FISCAL AGENT AGREEMENT

City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2017 Special Tax Refunding Bonds

THIS FISCAL AGENT AGREEMENT (the "Agreement"), dated as of November 1, 2017, is by and between the City of Brea, California, a municipal corporation organized and existing under the laws of the State of California (the "City"), for and on behalf of the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) (the "District"), and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States of America, as fiscal agent (the "Fiscal Agent").

RECITALS:

WHEREAS, the City Council of the City has formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311, *et seq.* of the California Government Code) (the "Act") and Resolution No. 2008-90 of the City Council adopted on December 2, 2008 (the "Resolution of Formation");

WHEREAS, the City Council, as the legislative body with respect to the District, is authorized under the Act to levy special taxes to pay for the costs of facilities eligible to be funded by the District and to authorize the issuance of bonds secured by said special taxes under the Act;

WHEREAS, under the provisions of the Act and a Fiscal Agent Agreement, dated as of December 1, 2009, between the City, for and on behalf of the District, and The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent, the City issued, for and on behalf of the District, \$8,145,000 principal amount of its City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2009 Special Tax Bonds (the "2009 Bonds");

WHEREAS, due to favorable interest rates in the financial markets, the City Council of the City has determined to fully refund the 2009 Bonds;

WHEREAS, under the provisions of the Act and Article 11, commencing with Section 53580, of Chapter 3 of Part 1 of Division 2 of the California Government Code (the "Refunding Law"), on October 17, 2017 the City Council of the City adopted its Resolution No. _____ (the "Resolution"), which resolution authorized the issuance and sale of the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2017 Special Tax Refunding Bonds (the "2017 Bonds"), to provide moneys to fully refund the 2009 Bonds and provided that such issuance would be in accordance with the Act, the Refunding Law and this Agreement, and authorized the execution hereof;

WHEREAS, it is in the public interest and for the benefit of the City, the District and the owners of the Bonds that the City enter into this Agreement to provide for the issuance of the Bonds, the disbursement of proceeds of the 2017 Bonds, the disposition of the special taxes securing the 2017 Bonds and the administration and payment of the 2017 Bonds; and

WHEREAS, the City has determined that all things necessary to cause the Bonds, when executed by the City for and on behalf of the District and issued as in the Act, the Refunding Law, the Resolution and this Agreement provided, to be legal, valid and binding and special obligations of the City for and on behalf of the District in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

AGREEMENT:

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. Authority for this Agreement. This Agreement is entered into pursuant to the provisions of the Act, the Refunding Law and the Resolution.

Section 1.02. Agreement for Benefit of Owners of the Bonds. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the equal benefit, protection and security of the Owners of the Bonds. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement. Any action by any Owner to enforce the provisions of this Agreement shall be for the equal benefit and protection of all Owners of the Bonds.

The Fiscal Agent may become the Owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Fiscal Agent.

Section 1.03. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 et seq. of the California Government Code.

"Administrative Expenses" means costs directly related to the administration of the District consisting of the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the Finance Director or designee thereof or both) and the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Fiscal Agent; fees and costs of the Fiscal Agent (including its legal counsel) in the discharge of the duties required of it under this Agreement; the costs of the City or its designee of complying with the disclosure provisions of the Act, the Continuing Disclosure Certificate and this Agreement, including those related to public inquiries regarding the Special Tax and disclosures to Bondowners and the Original Purchaser; the costs of the City or its designee related to an appeal of the Special Tax; any amounts required to be rebated to the federal government in order for the City to comply with Section 5.13; an allocable share of the salaries of the City staff directly related to the foregoing and a proportionate amount of City general administrative overhead related thereto. Administrative Expenses shall also include amounts advanced by the City for any administrative purpose of the District, including costs related to prepayments of Special Taxes, recordings related to such prepayments and satisfaction of Special Taxes, amounts advanced to ensure compliance with Section 5.13, and the costs of commencing foreclosure of delinquent Special Taxes.

"Administrative Expense Fund" means the fund by that name established by Section 4.07(A) hereof.

"Agreement" means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions hereof.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of the provisions of Section 2.03(A)(ii) providing for mandatory sinking payments), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking payment due in such Bond Year pursuant to Section 2.03(A)(ii)).

"Auditor" means the auditor/controller of the County of Orange.

"Authorized Officer" means the Mayor, City Manager, the City's Administrative Services Director, the City's Financial Services Manager, the City Clerk or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

"Bond Counsel" means (i) Quint & Thimmig LLP, or (ii) any attorney or other firm of attorneys acceptable to the City and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond Fund" means the fund by that name established by Section 4.05(A) hereof.

"Bond Register" means the books for the registration and transfer of Bonds maintained by the Fiscal Agent under Section 2.08 hereof.

"Bond Year" means the one-year period beginning on September 2nd in each year and ending on September 1st in the following year, except that the first Bond Year shall begin on the Closing Date and end on September 1, 2018.

"Bonds" means the 2017 Bonds, and, if the context requires, any Parity Bonds, at any time Outstanding under this Agreement or any Supplemental Agreement.

"Business Day" means any day other than (i) a Saturday or a Sunday, or (ii) a day on which banking institutions in the state in which the Fiscal Agent has its principal corporate trust office are authorized or obligated by law or executive order to be closed.

"CDIAC" means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

"City" means the City of Brea, California, and any successor thereto.

"City Attorney" means any attorney or firm of attorneys employed by the City in the capacity of city attorney.

"Closing Date" means November __, 2017, being the date upon which there is a physical delivery of the 2017 Bonds in exchange for the amount representing the purchase price of the 2017 Bonds by the Original Purchaser.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2017 Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the 2017 Bonds, together with applicable proposed,

temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate pertaining to the 2017 Bonds, dated the Closing Date, by the City and The Bank of New York Mellon Trust Company, N.A., as dissemination agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the 2017 Bonds and the refunding and defeasance of the 2009 Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees and charges of the Fiscal Agent including its first annual administration fee, fees and expenses of Fiscal Agent’s counsel, expenses incurred by the City in connection with the issuance of the Bonds and the refunding and defeasance of the 2009 Bonds, Escrow Bank fees and expenses, special tax consultant fees and expenses, Bond (underwriter’s) discount, legal fees and charges, including bond counsel and disclosure counsel, municipal advisor’s fees, verification agent and bidding agent fees, charges for execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing and the redemption and defeasance of the 2009 Bonds.

“Costs of Issuance Fund” means the fund by that name established by Section 4.03(A) hereof.

“County” means the County of Orange, California.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Debt Service” means the scheduled amount of interest and amortization of principal (including principal payable by reason of Section 2.03(A)(ii)) on the Bonds and the scheduled amount of interest and amortization of principal payable on any Parity Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Depository” means (i) initially, DTC, and (ii) any other Securities Depository acting as Depository pursuant to Section 2.13.

“District” means the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements), formed by the City under the Act and the Resolution of Formation.

“Escrow Agreement” means the Escrow Agreement, dated as of November 1, 2017, by and between the City and the Escrow Bank, as amended from time to time.

“Escrow Bank” means The Bank of New York Mellon Trust Company, N.A., and its successors and assigns, acting as escrow bank under the Escrow Agreement.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired

in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

"Federal Securities" means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent:

(i) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as "stripped" obligations and coupons; or

(ii) any of the following obligations of the following agencies of the United States of America: (a) direct obligations of the Export-Import Bank, (b) certificates of beneficial ownership issued by the Farmers Home Administration, (c) participation certificates issued by the General Services Administration, (d) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, (e) project notes issued by the United States Department of Housing and Urban Development, and (f) public housing notes and bonds guaranteed by the United States of America.

"Finance Director" means the Administrative Services Director of the City or such other officer or employee of the City performing the functions of the chief financial officer of the City.

"Fiscal Agent" means the Fiscal Agent appointed by the City and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01.

"Fiscal Year" means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

"Independent Financial Consultant" means any consultant or firm of such consultants appointed by the City or the Finance Director, and who, or each of whom: (i) is judged by the Finance Director to have experience in matters relating to the issuance and/or administration of bonds under the Act; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

"Information Services" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at

<http://emma.msrb.org>); and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such services providing information with respect to called bonds as the City may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Interest Payment Date" means March 1 and September 1 of each year, commencing March 1, 2018.

"Joint Community Facilities Agreement" means the Joint Community Facilities Agreement, dated as of March 17, 2009, among the Orange County Flood Control District, the City and the Company, as executed by the parties thereto and as it may thereafter be amended in accordance with its terms.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"Moody's" means Moody's Investors Service, and any successor thereto.

"Officer's Certificate" means a written certificate of the City signed by an Authorized Officer of the City.

"Ordinance" means any ordinance of the City levying the Special Taxes.

"Original Purchaser" means Stifel, Nicolaus & Company, Incorporated, as the first purchaser of the 2017 Bonds from the City.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 8.04) all Bonds except: (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the City pursuant to this Agreement or any Supplemental Agreement.

"Owner" or "Bondowner" means any person who shall be the registered owner of any Outstanding Bond.

"Parity Bonds" means bonds issued by the Authority for the District and secured on a parity with any then Outstanding Bonds pursuant to Section 2.14 hereof.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Permitted Investments" means any of the following, but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities;

(b) Registered state warrants or treasury notes or bonds of the State of California (the "State"), including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State, which are rated in one of the two highest short-term or long-term rating categories by either Moody's or S&P, and which have a maximum term to maturity not to exceed three years.

(c) Unsecured certificates of deposit, time deposits and bankers' acceptance of any bank the short-term obligations of which are rated on the date of purchase "A-1+" or better by S&P and "P-1" by Moody's and or certificates of deposit (including those of the Fiscal Agent, its parent and its affiliates) secured at all times by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law which are issued by commercial banks, savings and loan associations or mutual savings bank whose short-term obligations are rated on the date of purchase A-1 or better by S&P and Moody's.

(d) Commercial paper which at the time of purchase is of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided by either Moody's or S&P, which commercial paper is limited to issuing corporations that are organized and operating within the United States of America and that have total assets in excess of five hundred million dollars (\$500,000,000) and that have an "A" or higher rating for the issuer's debentures, other than commercial paper, by either Moody's or S&P, provided that purchases of eligible commercial paper may not exceed 180 days' maturity nor represent more than 10 percent of the outstanding commercial paper of an issuing corporation. Purchases of commercial paper may not exceed 20 percent of the total amount invested pursuant to this definition of Permitted Investments.

(e) A repurchase agreement with a state or nationally chartered bank or trust company or a national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, provided that all of the following conditions are satisfied: (1) the agreement is secured by any one or more of the securities described in subdivision (a) of this definition of Permitted Investments, (2) the underlying securities are required by the repurchase agreement to be held by a bank, trust company, or primary dealer having a combined capital and surplus of at least one hundred million dollars (\$100,000,000) and which is independent of the issuer of the repurchase agreement, and (3) the underlying securities are maintained at a market value, as determined on a marked-to-market basis calculated at least weekly, of not less than 103 percent of the amount so invested.

(f) An investment agreement or guaranteed investment contract with, or guaranteed by, a financial institution the long-term unsecured obligations of which are rated Aa2 and/or "AA" or better, respectively, by Moody's or S&P at the time of initial investment. The investment agreement shall be subject to a downgrade provision with at least the following requirements: (1) the agreement shall provide that within five business days after the financial institution's long-term unsecured credit rating has been withdrawn, suspended, other than because of general withdrawal or suspension by Moody's or S&P from the practice of rating that debt, or reduced below "AA-" by S&P or below "Aa3" by Moody's (these events are called "rating downgrades") the financial institution shall give notice to the City and, within the five-day period, and for as long as the rating downgrade is in effect, shall deliver in the name of the City or the Fiscal Agent Federal Securities allowed as investments under subdivision (a) of this definition of Permitted Investments with aggregate current market value equal to at least 105 percent of the principal amount of the investment agreement invested with the financial institution at that time, and shall deliver additional allowed federal securities as needed to maintain an aggregate current market value equal to at least 105 percent of the principal amount of the investment agreement within three days after each evaluation date, which shall be at least weekly, and (2) the agreement shall provide that, if the financial institution's long-term unsecured credit rating is reduced below "A3" by Moody's or below "A-" by S&P, the Fiscal Agent or the City may, upon not more than

five business days' written notice to the financial institution, withdraw the investment agreement, with accrued but unpaid interest thereon to the date, and terminate the agreement.

(g) The Local Agency Investment Fund of the State of California.

(h) Investments in a money market fund (including any funds of the Fiscal Agent or its affiliates and including any funds for which the Fiscal Agent or its affiliates provides investment advisory or other management services) rated in the highest rating category (without regard to plus (+) or minus (-) designations) by Moody's or S&P.

(i) Any other lawful investment for City funds.

"Principal Office" means the principal corporate trust office of the Fiscal Agent set forth in Section 9.06, except for the purpose of maintenance of the registration books and presentation of Bonds for payment, transfer or exchange, such term shall mean the office at which the Trustee conducts its corporate agency business, or such other or additional offices as may be designated by the Fiscal Agent.

"Project" means the facilities more particularly described in the Resolution of Formation.

"Rate and Method of Apportionment of Special Taxes" means the rate and method of apportionment of special taxes for the District, as approved pursuant to the Resolution of Formation, and as it may be modified from time to time in accordance with the Act.

"Record Date" means the fifteenth day of the month next preceding the month of the applicable Interest Payment Date, whether or not such day is a Business Day.

"Refunding Bonds" means bonds issued by the Authority for the District the net proceeds of which are used to refund all or a portion of the then Outstanding Bonds; provided that the debt service on the Refunding Bonds in any Bond Year is not in excess of the debt service on the Bonds being refunded and the final maturity of the Refunding Bonds is not later than the final maturity of the Bonds being refunded.

"Refunding Fund" means the fund of that name created and maintained under the Escrow Agreement.

"Refunding Law" means Article 11, commencing with Section 53580, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code.

"Reserve Fund" means the fund by that name established pursuant to Section 4.04(A) hereof.

"Reserve Requirement" means, as of any date of calculation, an amount equal to the least of (i) the then Maximum Annual Debt Service, (ii) one hundred twenty-five percent (125%) of the then average Annual Debt Service, or (iii) ten percent (10%) of the initial principal amount of the Bonds. The Reserve Requirement as of the Closing Date is \$_____.

"Resolution" means Resolution No. _____, adopted by the City Council of the City on October 17, 2017.

"Resolution of Formation" means Resolution No. 2008-90, adopted by the City Council of the City on December 2, 2008.

"S&P" means S&P Global Ratings, and any successor thereto.

"Securities Depositories" means The Depository Trust Company, 55 Water Street, New York, New York 10041-0099, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the City may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Special Tax Fund" means the fund by that name established by Section 4.06(A) hereof.

"Special Tax Prepayments" means the proceeds of any Special Tax prepayments received by the City, as calculated pursuant to the Rate and Method of Apportionment of the Special Taxes, less any administrative fees or penalties collected as part of any such prepayment.

"Special Tax Prepayments Account" means the account by that name established within the Bond Fund by Section 4.05(A) hereof.

"Special Tax Revenues" means the proceeds of the Special Taxes received by the City, including any scheduled payments and any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien, but shall not include interest and penalties collected in connection with delinquent Special Taxes in excess of the rate of interest payable on the Bonds.

"Special Taxes" means the special taxes levied within the District pursuant to the Act, the Ordinance, the Rate and Method of Apportionment of Special Taxes and this Agreement.

"Supplemental Agreement" means an agreement the execution of which is authorized by a resolution which has been duly adopted by the City under the Act and which agreement is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

"Tax Consultant" means any independent financial or tax consultant retained by the City for the purpose of computing the Special Taxes.

"2009 Bonds" means the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2009 Special Tax Bonds, issued on December 22, 2009, and outstanding as of the Closing Date.

"2017 Bonds" means the Bonds so designated and authorized to be issued under Section 2.01 hereof.

ARTICLE II

THE BONDS

Section 2.01. Principal Amount; Designation. 2017 Bonds in the aggregate principal amount of _____ Million _____ Hundred _____ Thousand Dollars (\$_____) are hereby authorized to be issued by the City for and on behalf of the District under and subject to the terms of the Resolution and this Agreement, the Refunding Law, the Act and other applicable laws of the State of California. The 2017 Bonds shall be designated as the "City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2017 Special Tax Refunding Bonds."

Section 2.02. Terms of the 2017 Bonds.

(A) Form; Denominations. The 2017 Bonds shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple in excess thereof.

(B) Date of 2017 Bonds. The 2017 Bonds shall be dated the Closing Date.

(C) CUSIP Identification Numbers. "CUSIP" identification numbers shall be imprinted on the 2017 Bonds, but such numbers shall not constitute a part of the contract evidenced by the 2017 Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2017 Bonds. In addition, failure on the part of the City or the Fiscal Agent to use such CUSIP numbers in any notice to Owners shall not constitute an event of default or any violation of the City's contract with such Owners and shall not impair the effectiveness of any such notice.

(D) Maturities, Interest Rates. The 2017 Bonds shall mature and become payable on September 1 in each of the years, and shall bear interest at the rates per annum as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
[to come]		

(E) Interest. The 2017 Bonds shall bear interest at the rates set forth above payable on the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each 2017 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on

an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a 2017 Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(F) Method of Payment. Interest on the 2017 Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on the Interest Payment Dates by first class mail to the registered Owners thereof at their respective addresses as they appear in the Bond Register maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer to an account within the United States made on such Interest Payment Date upon written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds, which instructions shall continue in effect until revoked in writing, or until such Bonds are transferred to a new Owner. The principal of the 2017 Bonds and any premium on the 2017 Bonds are payable by check in lawful money of the United States of America upon surrender of the 2017 Bonds at the Principal Office of the Fiscal Agent. All 2017 Bonds paid by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled 2017 Bonds and issue a certificate of destruction thereof to the City upon the City's request.

Section 2.03. Redemption.

(A) Redemption Dates.

(i) *Optional Redemption.* The 2017 Bonds maturing on or after September 1, ____ are subject to optional redemption prior to their stated maturity on any Interest Payment Date occurring on or after September 1, ____, as a whole, or in part in an amount equal to \$5,000 or any integral multiple thereof and among maturities so as to maintain substantially level debt service on the Bonds, and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the 2017 Bonds to be redeemed), as set forth below, together with accrued interest thereon to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
September 1, ____ and March 1, ____	%
September 1, ____ and March 1, ____	
September 1, ____ and any Interest Payment Date thereafter	

(ii) *Mandatory Sinking Payment Redemption.* The 2017 Bonds maturing on September 1, ____, are subject to mandatory sinking payment redemption in part on September 1, ____, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Redemption Date
(September 1)

Sinking Payments
\$

The amounts in the foregoing table shall be reduced to the extent practicable so as to maintain substantially level debt service on the Bonds, as a result of any prior partial redemption of the 2017 Bonds pursuant to Section 2.03(A)(i) above or 2.03(A)(iii) below, as specified in writing by the Finance Director to the Fiscal Agent.

(iii) *Redemption From Special Tax Prepayments.* Special Tax Prepayments and any corresponding transfers from the Reserve Fund pursuant to Section 4.04(F) shall be used to redeem 2017 Bonds on the next Interest Payment Date for which notice of redemption can timely be given under Section 2.03(D), in whole, or in part in an amount equal to \$5,000 or any integral multiple thereof allocated among maturities of the 2017 Bonds so as to maintain substantially level debt service on the Bonds, and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the 2017 Bonds to be redeemed), as set forth below, together with accrued interest to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
any Interest Payment Date from March 1, 2018 to and including March 1, ____	%
September 1, ____ and March 1, ____	
September 1, ____ and March 1, ____	
September 1, ____ and any Interest Payment Date thereafter	

(B) Notice to Fiscal Agent. The City shall give the Fiscal Agent written notice of its intention to redeem Bonds pursuant to subsection (A)(i) or (A)(iii) not less than forty-five (45) days prior to the applicable redemption date, or such lesser number of days as the Fiscal Agent may allow.

(C) Purchase of Bonds in Lieu of Redemption. In lieu of redemption under Section 2.03(A), moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2017 Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase prior to the selection of 2017 Bonds for redemption, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may 2017 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if such 2017 Bonds were to be redeemed in accordance with this Agreement.

(D) Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be sent (by first class mail, postage prepaid, or by such other means as is acceptable to the recipient thereof), at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the Securities Depositories, to one or more Information

Services, and to the respective registered Owners of any 2017 Bonds designated for redemption, at their addresses appearing on the Bond Register; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such 2017 Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding 2017 Bonds are to be called for redemption, shall designate the CUSIP numbers and, if applicable, the Bond numbers of the 2017 Bonds to be redeemed by giving the individual CUSIP number and, if applicable, Bond number of each 2017 Bond to be redeemed or shall state that all 2017 Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the 2017 Bonds of one or more maturities have been called for redemption, shall state as to any 2017 Bond called in part the principal amount thereof to be redeemed, and shall require that such 2017 Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such 2017 Bonds will not accrue from and after the redemption date.

Notwithstanding the foregoing, in the case of any redemption of the 2017 Bonds under Section 2.03(A)(i) above, the notice of redemption may state that the redemption is conditioned upon receipt by the Fiscal Agent of sufficient moneys to redeem the 2017 Bonds on the anticipated redemption date, and that the redemption shall not occur if by no later than the scheduled redemption date sufficient moneys to redeem the 2017 Bonds have not been deposited with the Fiscal Agent. In the event that the Fiscal Agent does not receive sufficient funds by the scheduled redemption date to so redeem the 2017 Bonds to be redeemed, the Fiscal Agent shall send written notice to the owners of the 2017 Bonds to the effect that the redemption did not occur as anticipated, and the 2017 Bonds for which notice of redemption was given shall remain Outstanding for all purposes of this Agreement.

Upon the payment of the redemption price of 2017 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the issue and maturity of the 2017 Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in this Agreement for the redemption of less than all of the 2017 Bonds (other than a redemption pursuant to Section 2.03(A)(ii)), the Fiscal Agent shall select the 2017 Bonds to be redeemed, from all 2017 Bonds not previously called for redemption, among maturities as directed in writing by the Finance Director (who shall specify 2017 Bonds to be redeemed so as to maintain substantially level debt service on the Bonds), and by lot within a maturity in any manner which the Fiscal Agent deems appropriate.

Upon surrender of 2017 Bonds redeemed in part only, the City shall execute and the Fiscal Agent shall authenticate and deliver to the Owner, at the expense of the City, a new 2017 Bond or 2017 Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2017 Bond or 2017 Bonds.

(E) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the 2017 Bonds so called for redemption shall have been deposited in the 2017 Bond Fund, such 2017 Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All 2017 Bonds redeemed and purchased by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled 2017 Bonds and issue a certificate of destruction thereof to the City.

(F) Redemption of Parity Bonds. Redemption provisions, if any, pertaining to any Parity Bonds shall be set forth in the Supplemental Agreement providing for such Parity Bonds.

Section 2.04. Form of Bonds. The 2017 Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution and the Act.

Section 2.05. Execution of Bonds. The Bonds shall be executed on behalf of the City by the facsimile signatures of its Mayor and City Clerk, and the seal of the City shall be impressed, imprinted or reproduced by facsimile signature thereon. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the City by such persons as at the actual date of the execution of such Bond shall be the proper officers of the City although at the nominal date of such Bond any such person shall not have been such officer of the City.

Only such Bonds as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A, executed and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of authentication of the Fiscal Agent shall be conclusive evidence that the Bonds registered hereunder have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Agreement.

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Bond Register by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form acceptable to the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the Authority. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount of authorized denominations(s).

No transfers of Bonds shall be required to be made (i) fifteen days prior to the date established by the Fiscal Agent for selection of Bonds for redemption, (ii) with respect to a Bond after such Bond has been selected for redemption, or (iii) between a Record Date and the succeeding Interest Payment Date.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same series and maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the City. The Fiscal

Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen days prior to the date established by the Fiscal Agent for selection of Bonds for redemption, (ii) with respect to a Bond after such Bond has been selected for redemption, or (iii) between a Record Date and the succeeding Interest Payment Date.

Section 2.08. Bond Register. The Fiscal Agent will keep or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the Bonds, which books shall show the series number, date, amount, rate of interest and last known Owner of each Bond and shall at all times be open to inspection by the City during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

The City and the Fiscal Agent will treat the Owner of any Bond whose name appears in the Bond Register as the absolute Owner of such Bond for any and all purposes, and the City and the Fiscal Agent shall not be affected by any notice to the contrary. The City and the Fiscal Agent may rely on the address of the Bondowner as it appears in the Bond Register for any and all purposes.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the City, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the City upon the same conditions and in substantially the same manner as the definitive Bonds. If the City issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary bonds shall be entitled to the same benefits under this Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the City, at the expense of the Owner of said Bond, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent who shall deliver a certificate of destruction thereof to the City.

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to the Fiscal Agent and indemnity for the City and the Fiscal Agent satisfactory to the Fiscal Agent shall be given, the City, at the expense of the Owner, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The City may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section and of the expenses which may be incurred by the City and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond

alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the City whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

Section 2.11. Limited Obligation. All obligations of the City under this Agreement and the Bonds shall be special obligations of the City, payable solely from the Special Tax Revenues and the funds pledged therefore hereunder. Neither the faith and credit nor the taxing power of the City (except with respect to the levy of Special Taxes in the District, to the limited extent set forth herein) or the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Section 2.12. No Acceleration. The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of this Agreement under Section 9.03 hereof.

Section 2.13. Book-Entry System. DTC shall act as the initial Depository for the 2017 Bonds. One 2017 Bond for each maturity of the 2017 Bonds shall be initially executed, authenticated, and delivered as set forth herein with a separate fully registered certificate (in print or typewritten form). Upon initial execution, authentication, and delivery, the ownership of the 2017 Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC or such nominee as DTC shall appoint in writing.

The representatives of the City and the Fiscal Agent are hereby authorized to take any and all actions as may be necessary and not inconsistent with this Agreement to qualify the Bonds for the Depository's book-entry system, including the execution of the Depository's required representation letter.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, neither the City nor the Fiscal Agent shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds Bonds as Depository from time to time (the "DTC Participants") or to any person for which a DTC Participant acquires an interest in the Bonds (the "Beneficial Owners"). Without limiting the immediately preceding sentence, neither the City nor the Fiscal Agent shall have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the City elects to redeem the Bonds in part, (iv) the payment to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds, or (v) any consent given or other action taken by the Depository as Owner of the Bonds.

Except as set forth above, the Fiscal Agent may treat as and deem DTC to be the absolute Owner of each Bond for which DTC is acting as Depository for the purpose of payment of the principal of and interest on such Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bonds, for the purpose of registering transfers with respect to such Bonds, and for all purposes whatsoever. The Fiscal Agent shall pay all principal of and interest on the Bonds only to or upon the order of the Owners as shown on the Bond Register, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to the principal of and interest on the Bonds to the extent of the amounts so paid.

No person other than an Owner, as shown on the Bond Register, shall receive a physical Bond. Upon delivery by DTC to the Fiscal Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions in Section 2.06 hereof, references to "Cede & Co." in this Section 2.13 shall refer to such new nominee of DTC.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Fiscal Agent during any time that the Bonds are Outstanding, and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of DTC with respect to the Bonds if it determines that DTC is unable to discharge its responsibilities with respect to the Bonds or that continuation of the system of book-entry transfers through DTC is not in the best interest of the Beneficial Owners, and the City shall mail notice of such termination to the Fiscal Agent.

Upon the termination of the services of DTC as provided in the previous paragraph, and if no substitute Depository willing to undertake the functions hereunder can be found which is willing and able to undertake such functions upon reasonable or customary terms, or if the City determines that it is in the best interest of the Beneficial Owners of the 2017 Bonds that they be able to obtain certificated 2017 Bonds, the 2017 Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Owners shall designate at that time, in accordance with Section 2.06.

To the extent that the Beneficial Owners are designated as the transferee by the Owners, in accordance with Section 2.06, the 2017 Bonds will be delivered to such Beneficial Owners as soon as practicable.

Section 2.14. Issuance of Parity Bonds. The City may issue one or more series of Parity Bonds, in addition to the 2017 Bonds authorized under Section 2.01 hereof, by means of a Supplemental Agreement and without the consent of any Bondowners, upon compliance with the provisions of this Section 2.14. Only Refunding Bonds that comply with the requirements of this Section 2.14 shall be Parity Bonds, and such Parity Bonds shall constitute Bonds hereunder and shall be secured by a lien on the Special Tax Revenues and funds pledged for the payment of the Bonds hereunder on a parity with all other Bonds Outstanding hereunder. The City may issue Refunding Bonds that are Parity Bonds subject to the following specific conditions precedent:

(A) Current Compliance. The City shall be in compliance in all material respects on the date of issuance of the Parity Bonds with all covenants set forth in this Agreement and all Supplemental Agreements, and the principal amount of the Parity Bonds shall not cause the City to exceed the maximum authorized indebtedness of the District under the provisions of the Act.

(B) Payment Dates. The Supplemental Agreement providing for the issuance of such Parity Bonds shall provide that interest thereon shall be payable on March 1 and September 1, and principal thereof shall be payable on September 1 in any year in which principal is payable (provided that there shall be no requirement that any Parity Bonds pay interest on a current basis).

(C) Funds and Accounts; Reserve Fund Deposit. The Supplemental Agreement providing for the issuance of such Parity Bonds may provide for the establishment of separate funds and accounts, and shall provide for a deposit to the Reserve Fund (or to a separate account created for such purpose) in an amount necessary so that the amount

on deposit in the Reserve Fund (together with the amount in any such separate account), following the issuance of such Parity Bonds, is at least equal to the Reserve Requirement.

(D) Refunding Bonds. The Parity Bonds shall be Refunding Bonds.

(E) Officer's Certificate. The City shall deliver to the Fiscal Agent an Officer's Certificate certifying that the conditions precedent to the issuance of such Parity Bonds set forth in subsections (A), (B), (C) and (D) of this Section 2.14 have been satisfied. In delivering such Officer's Certificate, the Authorized Officer that executes the same may conclusively rely upon such certificates of the Fiscal Agent, the Tax Consultant and others selected with due care, without the need for independent inquiry or certification.

Nothing in this Section 2.14 shall prohibit the City from issuing bonds or otherwise incurring debt secured by a pledge of Special Tax Revenues subordinate to the pledge thereof under Section 3.02 of this Agreement.

ARTICLE III

ISSUANCE OF 2017 BONDS

Section 3.01. Issuance and Delivery of 2017 Bonds. At any time after the execution of this Agreement, the City may issue the 2017 Bonds for the District in the aggregate principal amount set forth in Section 2.01 and deliver the 2017 Bonds to the Original Purchaser. The Authorized Officers of the City are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the 2017 Bonds in accordance with the provisions of the Act, the Refunding Law, the Resolution and this Agreement, to authorize the payment of Costs of Issuance from the proceeds of the 2017 Bonds and to do and cause to be done any and all acts and things necessary or convenient for delivery of the 2017 Bonds to the Original Purchaser and the redemption of the 2009 Bonds pursuant to the Escrow Agreement.

Section 3.02. Pledge of Special Tax Revenues. The Bonds shall be secured by a first pledge (which pledge shall be effected in the manner and to the extent herein provided) of the Special Tax Revenues and all moneys deposited in the Bond Fund and the Reserve Fund and, until disbursed as provided herein, in the Special Tax Fund. The Special Tax Revenues and all moneys deposited into said funds (except as otherwise provided herein) are hereby dedicated to the payment of the principal of, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Section 9.03.

Amounts in the Administrative Expense Fund and the Costs of Issuance Fund are not pledged to the repayment of the 2017 Bonds. The facilities acquired with the proceeds of the 2009 Bonds are not in any way pledged to pay the Debt Service on the 2017 Bonds. Any proceeds of condemnation or destruction of any facilities financed with the proceeds of the 2009 Bonds are not pledged to pay the Debt Service on the 2017 Bonds and are free and clear of any lien or obligation imposed hereunder.

Section 3.03. Validity of Bonds. The validity of the authorization and issuance of the 2017 Bonds shall not be dependent upon the performance by any person of such persons obligation(s) with respect to the Project or the 2009 Bonds.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.01. Deposits of 2017 Bond Proceeds. The proceeds of the purchase of the 2017 Bonds by the Original Purchaser thereof (\$_____) shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and deposit such proceeds on the Closing Date as follows:

(A) deposit to the Reserve Fund \$_____ (being an amount equal to the Reserve Requirement as of the Closing Date);

(B) deposit to the Costs of Issuance Fund \$_____; and

(C) transfer to the Escrow Bank for deposit by the Escrow Bank in the Refunding Fund, \$_____.

The Fiscal Agent may, in its discretion, establish a temporary fund or account in its books and records to facilitate transfers pursuant to this Section 4.01

Section 4.02. Deposits of Other Funds. In addition to the deposits of Bond proceeds set forth in Section 4.01, on the Closing Date the Finance Director shall transfer or cause to be transferred certain moneys held with respect to the 2009 Bonds as follows:

(A) transfer the amount on deposit in the administrative expense fund for the 2009 Bonds to the Administrative Expense Fund;

(B) transfer from the reserve fund held with respect to the 2009 Bonds to the Escrow Bank for deposit by the Escrow Bank in the Refunding Fund, \$_____ and transfer any remaining amounts in such reserve fund to the Special Tax Fund; and

(C) transfer from the special tax fund for the 2009 Bonds to the Escrow Fund for deposit by the Escrow Bank in the Refunding Fund, \$_____; and transfer any remaining amounts in such special tax fund to the Special Tax Fund.

Section 4.03. Costs of Issuance Fund.

(A) Establishment of Costs of Issuance Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2017 Special Tax Refunding Bonds, Costs of Issuance Fund, to the credit of which a deposit shall be made as required by Section 4.01(B). Moneys in the Costs of Issuance Fund shall be held in trust by the Fiscal Agent and shall be disbursed as provided in subsection (B) of this Section for the payment or reimbursement of Costs of Issuance.

(B) Disbursement. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay Costs of Issuance, as set forth in a requisition containing respective amounts to be paid to the designated payees, signed by the Finance Director and delivered to the Fiscal Agent on the Closing Date, or otherwise in an Officer's Certificate delivered to the Fiscal Agent after the Closing Date. The Fiscal Agent shall pay all Costs of Issuance after receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to an Officer's Certificate requesting payment of Costs of Issuance. The Fiscal Agent shall maintain the Costs of Issuance Fund for a

period of 90 days from the date of delivery of the 2017 Bonds and then shall transfer any moneys remaining therein, including any investment earnings thereon, to the Finance Director for deposit by the Finance Director in the Administrative Expense Fund.

(C) Investment. Moneys in the Costs of Issuance Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the Costs of Issuance Fund to be used for the purposes of such fund.

Section 4.04. Reserve Fund.

(A) Establishment of Fund. There is hereby established as a separate fund to be held by the Fiscal Agent the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) Reserve Fund, to the credit of which a deposit shall be made as required by Section 4.01(A) equal to the Reserve Requirement as of the Closing Date for the 2017 Bonds, and deposits shall be made as provided in Sections 4.06(A) and 4.06(B). Moneys in the Reserve Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds as a reserve for the payment of principal of, and interest and any premium on, the Bonds and shall be subject to a lien in favor of the Owners of the Bonds.

(B) Use of Reserve Fund. Except as otherwise provided in this Section, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest and any premium on, the Bonds or, in accordance with the provisions of this Section, for the purpose of redeeming Bonds from the Bond Fund.

(C) Transfer Due to Deficiency in Bond Fund. Whenever transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent shall provide written notice thereof to the Finance Director, specifying the amount withdrawn.

(D) Transfer of Excess of Reserve Requirement. Whenever, on the Business Day prior to any Interest Payment Date, or on any other date at the request of the Finance Director, the amount in the Reserve Fund exceeds the Reserve Requirement, the Fiscal Agent shall provide written notice to the Finance Director of the amount of the excess and shall transfer an amount equal to the excess from the Reserve Fund to the Bond Fund to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 4.05.

(E) Transfer When Balance Exceeds Outstanding Bonds. Whenever the balance in the Reserve Fund equals or exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall upon the written direction of the Finance Director transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date to the payment and redemption, in accordance with Section 2.03 and 4.05, as applicable, of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the City to be used for any lawful purpose under the Act.

Notwithstanding the foregoing, no amounts shall be transferred from the Reserve Fund pursuant to this Section 4.04(E) until after (i) the calculation of any amounts due to the federal government pursuant to Section 5.13 following payment of the Bonds and withdrawal of any

such amount from the Reserve Fund for purposes of making such payment to the federal government, and (ii) payment of any fees and expenses due to the Fiscal Agent.

(F) Transfer Upon Special Tax Prepayment. Whenever Special Taxes are prepaid and Bonds are to be redeemed with the proceeds of such prepayment pursuant to Section 2.03(A)(iii), a proportionate amount in the Reserve Fund (determined on the basis of the principal of Bonds to be redeemed, and the original principal of the Bonds) shall be transferred on the Business Day prior to the redemption date by the Fiscal Agent to the Bond Fund to be applied to the redemption of the Bonds pursuant to Section 2.03(A)(iii).

(G) Investment and Transfer to Pay Rebate. Moneys in the Reserve Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be subject to transfer on the Business Day prior to each Interest Payment Date or when otherwise requested in writing by the Finance Director to the Bond Fund to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 4.05.

Amounts in the Reserve Fund may at any time be used, at the written direction of an Authorized Officer, for purposes of paying any rebate liability under Section 5.13.

Section 4.05. Bond Fund.

(A) Establishment of Bond Fund and Special Tax Prepayments Account. There is hereby established as a separate fund to be held by the Fiscal Agent the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) Bond Fund, to the credit of which deposits shall be made as required by Sections 4.04(B), 4.04(D), 4.04(F), 4.04(G), 4.06(A) and 4.06(B), and any other amounts required to be deposited therein by this Agreement or the Act. There is also hereby created in the Bond Fund, a separate account held by the Fiscal Agent, the Special Tax Prepayments Account, to the credit of which deposits shall be made as provided in Section 4.06(A).

Moneys in the Bond Fund and the Special Tax Prepayments Account therein shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

(B) Disbursements. (i) Bond Fund Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal, and interest and any premium, then due and payable on the Bonds, including any amounts due on the Bonds by reason of the sinking payments set forth in Section 2.03(A)(ii), or a redemption of the Bonds required by Section 2.03(A)(i) or (iii), such payments to be made in the priority listed in the second succeeding paragraph. Notwithstanding the foregoing, amounts in the Bond Fund as a result of a transfer pursuant to clause (ii) of the second paragraph of Section 4.06(A) shall be immediately disbursed by the Fiscal Agent to pay past due amounts owing on the Bonds.

In the event that amounts in the Bond Fund are insufficient for the purposes set forth in the preceding paragraph, the Fiscal Agent shall withdraw from the Reserve Fund to the extent of any funds therein amounts to cover the amount of such Bond Fund insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Bond Fund.

If, after the foregoing transfers, there are insufficient funds in the Bond Fund to make the payments provided for in the first sentence of the first paragraph of this Section 4.02(B)(i), the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Each such payment shall be made ratably to the Owners of the Bonds based on the then Outstanding principal amount of the Bonds, if there are insufficient funds to make the corresponding payment for all of the then Outstanding Bonds. Any sinking payment not made as scheduled shall be added to the sinking payment to be made on the next sinking payment date.

(ii) Special Tax Prepayments Account Disbursements. Moneys in the Special Tax Prepayments Account shall be transferred by the Fiscal Agent to the Bond Fund on the next date for which notice of redemption of Bonds can timely be given under Section 2.03(A)(iii), and notice to the Fiscal Agent can timely be given under Section 2.03(B), and shall be used (together with any amounts transferred pursuant to Section 4.04(F)) to redeem Bonds on the redemption date selected in accordance with Section 2.03(A)(iii).

(C) Investment. Moneys in the Bond Fund and the Special Tax Prepayments Account shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from the investment and deposit of amounts in the Bond Fund and the Special Tax Prepayments Account shall be retained in the Bond Fund and the Special Tax Prepayments Account, respectively, to be used for purposes of such fund and accounts.

Section 4.06. Special Tax Fund.

(A) Establishment of Special Tax Fund. There is hereby established as a separate fund to be held by the Finance Director, the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) Special Tax Fund, to the credit of which the City shall deposit, as soon as practicable following receipt, all Special Tax Revenues received by the City and any amounts required by Sections 4.02(C) and 4.07(B) to be deposited therein.

Notwithstanding the foregoing, (i) any proceeds of Special Tax Prepayments shall be transferred by the Finance Director directly to the Fiscal Agent for deposit by the Fiscal Agent in the Special Tax Prepayments Account established pursuant to Section 4.05(A), and (ii) any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes shall be transferred by the Finance Director first, to the Fiscal Agent for deposit by the Fiscal Agent in the Bond Fund to the extent needed to pay any past due debt service on the Bonds; second, to the Fiscal Agent for deposit by the Fiscal Agent to the Reserve Fund to the extent needed to increase the amount then on deposit in the Reserve Fund up to the then Reserve Requirement; and third, shall be retained by the Finance Director in the Special Tax Fund for use as described in Section 4.06(B) below.

Moneys in the Special Tax Fund shall be held in trust by the City for the benefit of the City and the Owners of the Bonds, shall be disbursed as provided below and, pending disbursement, shall be subject to a lien in favor of the Owners of the Bonds and the City.

(B) Disbursements. From time to time as needed to pay the debt service due on the Bonds, but no later than the Business Day before each Interest Payment Date, the Finance Director shall withdraw from the Special Tax Fund and transfer the following amounts in the following order of priority (i) to the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund and any expected transfers from the Reserve Fund and the Special Tax Prepayments Account to the Bond Fund pursuant to Sections 4.04(D), (F) and (G),

and 4.05(B)(ii), such that the amount in the Bond Fund equals the principal (including any sinking payment), premium, if any, and interest due on the Bonds on the next Interest Payment Date, and (ii) to the Reserve Fund an amount, taking into account amounts then on deposit in the Reserve Fund, such that the amount in the Reserve Fund is equal to the Reserve Requirement.

In addition to the foregoing, if in any Fiscal Year there are sufficient funds in the Special Tax Fund to make the foregoing transfers to the Bond Fund and the Reserve Fund in respect of the Interest Payment Dates occurring in the Bond Year that commences in such Fiscal Year, the Finance Director may transfer any amount in the Special Tax Fund in excess of the amount needed to make such transfers to the Bond Fund and the Reserve Fund (i) to the Administrative Expense Fund, from time to time, if monies are needed to pay Administrative Expenses in excess of the amount then on deposit in the Administrative Expense Fund; (ii) to such other fund or account established to pay debt service on or administrative expenses with respect to any bonds or other debt secured by a pledge of Special Tax Revenues subordinate to the pledge thereof under Section 3.02 of this Agreement; or (iii) to such other fund or account established by the City to be used for any lawful purpose under the Act and otherwise in accordance with the provisions of the Rate and Method of Apportionment of Special Taxes.

(C) Investment. Moneys in the Special Tax Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

Section 4.07. Administrative Expense Fund.

(A) Establishment of Administrative Expense Fund. There is hereby established as a separate fund to be held by the Finance Director, the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) Administrative Expense Fund, to the credit of which deposits shall be made as required by Sections 4.02(A), 4.03(B) and 4.06(B). Moneys in the Administrative Expense Fund shall be held in trust by the Finance Director for the benefit of the City, and shall be disbursed as provided below.

(B) Disbursement. Amounts in the Administrative Expense Fund shall be withdrawn by the Finance Director and paid to the City or its order upon receipt by the Finance Director of an Officer's Certificate stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense or a Costs of Issuance, and the nature of such Administrative Expense or Costs of Issuance. Amounts transferred from the Costs of Issuance Fund to the Administrative Expense Fund pursuant to Section 4.03(B) shall be separately identified at all times, and shall be expended for purposes of the Administrative Expense Fund prior to the use of amounts transferred to the Administrative Expense Fund from the Special Tax Fund pursuant to Section 4.06(B).

(C) Investment. Moneys in the Administrative Expense Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the Finance Director in the Administrative Expense Fund to be used for the purposes thereof.

ARTICLE V

OTHER COVENANTS OF THE CITY

Section 5.01. Punctual Payment. The City will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions covenants and requirements of this Agreement and all Supplemental Agreements and of the Bonds.

Section 5.02. Limited Obligation. The Bonds are limited obligations of the City on behalf of the District and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Bond Fund (including the Special Tax Prepayments Account therein), the Reserve Fund and the Special Tax Fund created hereunder.

Section 5.03. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the City shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the City, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

Section 5.04. Against Encumbrances. The City will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by this Agreement.

Section 5.05. Books and Records. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Administrative Expense Fund and the Special Tax Fund and to the Special Tax Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Fiscal Agent and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 5.06. Protection of Security and Rights of Owners. The City will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

Section 5.07. Compliance with Law. The City will comply with all applicable provisions of the Act and law in administering the District.

Section 5.08. Collection of Special Tax Revenues. The City shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or about July 1 of each year, the Fiscal Agent shall provide the Finance Director with a notice stating the amount then on deposit in the Bond Fund and the Reserve Fund, and informing the City that the Special Taxes may need to be levied pursuant to the Ordinance as necessary to provide for Annual Debt Service and Administrative Expenses and replenishment (if necessary) of the Reserve Fund so that the balances therein equal the Reserve Requirement. The receipt of or failure to receive such notice by the Finance Director shall in no way affect the obligations of the Finance Director under the following two paragraphs, and the Fiscal Agent shall not be responsible for any inability or failure to provide such notice. Upon receipt of such notice, the Finance Director shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The Finance Director shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 1 that the Bonds are outstanding, or otherwise such that the computation of the levy is complete before the final date on which Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Finance Director shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll. Notwithstanding the foregoing, any Special Taxes to be levied on possessory interests shall be communicated by the Finance Director to the Auditor at such time as is necessary to include such amounts on the County's unsecured tax rolls for the applicable Fiscal Year.

The Finance Director shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any outstanding Bonds of the District becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses (including amounts necessary to discharge any obligation under Section 5.13) during such year, taking into account in any event the balances in such funds and in the Special Tax Fund. The Special Taxes so levied shall not exceed the maximum amounts as provided in the Rate and Method of Apportionment of Special Taxes.

The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

Notwithstanding the foregoing, the Finance Director may in his discretion cause the collection of any Special Taxes by direct, first class mail billing to the then owner of each parcel or possessory interest, as applicable, so owned in lieu of billing for such Special Taxes in the same manner as general taxes as aforesaid. Such direct mail billing shall be made not later than November 1 of the Fiscal Year and shall direct the owner of the property affected to pay the Special Taxes directly to the Finance Director in two equal installments, the first of which shall be due and delinquent if not paid on December 10 and the second of which may be paid with the first and which, in any event, shall be due and delinquent if not paid on April 10 of the Fiscal Year. Any such Special Taxes so billed shall have the same priority and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

The Finance Director is hereby authorized to employ consultants to assist in computing the levy of the Special Taxes hereunder and any reconciliation of amounts levied to amounts

received. The fees and expenses of such consultants and the costs and expenses of the Finance Director (including a charge for City staff time) in conducting the Finance Director's duties hereunder shall be an Administrative Expense hereunder.

Section 5.09. Covenant to Foreclose. Pursuant to Section 53356.1 of the Act, the City hereby covenants with and for the benefit of the owners of the Bonds that it will order, and cause to be commenced as hereinafter provided, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due as provided in the following paragraph. The Finance Director shall notify the City Attorney of any such delinquency of which it is aware, and the City Attorney shall commence, or cause to be commenced, such proceedings.

On or about September 1 of each Fiscal Year, the Finance Director shall compare the amount of Special Taxes levied on property in the District during the Fiscal Year that ended immediately prior to such September 1 to the amount of Special Tax Revenues attributable to such levy theretofore received by the City, and, subject to any constraints of the "Teeter Plan" (so long as the District is included therein), if the Finance Director determines that any parcel subject to the Special Tax in the District is delinquent in the payment of Special Taxes, then the Finance Director shall send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings shall be commenced by the City within 90 days of such determination to the extent permissible under the County's Teeter Plan program and applicable law.

Section 5.10. Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

Section 5.11. Private Activity Bond Limitations. The City shall assure that the proceeds of the 2009 Bonds and of the 2017 Bonds are not so used as to cause the 2017 Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 5.12. Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the 2017 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 5.13. Rebate Requirement. The City shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2017 Bonds.

If necessary, the City may use amounts in the Reserve Fund, amounts on deposit in the Administrative Expense Fund, and any other funds available to the District, including amounts advanced by the City, in its sole discretion, to be repaid by the District as soon as practicable from amounts described in the preceding clauses, to satisfy its obligations under this Section 5.13. The Finance Director shall take note of any investment of monies hereunder in excess of the yield on the Bonds, and shall take such actions as are necessary to ensure compliance with this Section 5.13, such as increasing the portion of the Special Tax levy for Administration

Expenses as appropriate to have funds available in the Administrative Expense Fund to satisfy any rebate liability under this Section 5.13.

Section 5.14. No Arbitrage. The City shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the proceeds of the 2017 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2017 Bonds would have caused the 2017 Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

Section 5.15. Yield of the 2017 Bonds. In determining the yield of the 2017 Bonds to comply with Section 5.13 and 5.14 hereof, the City will take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the City, as of the Closing Date, regarding prepayments of Special Taxes and use of prepayments for redemption of the 2017 Bonds, without regard to whether or not prepayments are received or 2017 Bonds redeemed.

Section 5.16. Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest on the 2017 Bonds from the gross income of the Owners of the 2017 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2017 Bonds.

Section 5.17. Continuing Disclosure to Owners. In addition to its obligations under Section 9.07, the City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered a default hereunder; however, any Participating Underwriter or any holder or Beneficial Owner (as defined in Section 2.13) of the 2017 Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations thereunder, including seeking mandate or specific performance by court order.

Section 5.18. No Additional Bonds. Except as expressly permitted by Section 2.14 hereof, the City shall not issue any additional bonds secured by (A) a pledge of Special Taxes on a parity with or senior to the pledge thereof under Section 3.02 hereof; or (B) any amounts in any funds or accounts established hereunder.

Section 5.19. Reduction of Special Taxes. The City covenants and agrees to not consent or conduct proceedings with respect to a reduction in the maximum Special Taxes that may be levied in the District below an amount, for any Fiscal Year, equal to 110% of the aggregate of the debt service due on the Bonds in such Fiscal Year, plus a reasonable estimate of Administrative Expenses for such Fiscal Year. It is hereby acknowledged that Bondowners are purchasing the Bonds in reliance on the foregoing covenant, and that said covenant is necessary to assure the full and timely payment of the Bonds.

Section 5.20. Limits on Special Tax Waivers and Bond Tenders. The City covenants not to exercise its rights under the Act to waive delinquency and redemption penalties related to the Special Taxes or to declare Special Tax penalties amnesty program if to do so would materially and adversely affect the interests of the owners of the Bonds. The City further covenants not to permit the tender of Bonds in payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant that to accept such tender will not result in the City having insufficient Special Tax Revenues to pay the principal of and interest on the Bonds that will remain Outstanding following such tender.

Section 5.21. City Bid at Foreclosure Sale. The City will not bid at a foreclosure sale of property in respect of delinquent Special Taxes unless it expressly agrees to take the property subject to the lien for Special Taxes imposed by the District and that the Special Taxes levied on the property are payable while the City owns the property.

Section 5.22. Sublease and Use of Loftus Diversion Channel. The City hereby agrees to enter into the Sublease at the time the Company enters into the Lease (as such terms are defined in, and as contemplated by Section 7 of, the Joint Community Facilities Agreement), and to maintain the Sublease in effect for so long as the Lease is in effect. The City further agrees to enter into a new sublease with the California BP LLC (successor to California Brea Partners, L.P.), as contemplated by the second paragraph of Section 3 of the Sublease, if and when California BP LLC exercises its right of first refusal described therein. The City shall not grant or provide any special legal entitlements to any entity in or to the property that is the subject of the Sublease, and said property shall be used solely for purposes of ingress and egress to adjacent properties and for public parking, and in any event in a manner consistent with the provisions of Section 5.11, during the period that the 2017 Bonds are outstanding.

ARTICLE VI

INVESTMENTS, DISPOSITION OF INVESTMENT PROCEEDS, LIABILITY OF THE CITY

Section 6.01. Deposit and Investment of Moneys in Funds. Moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. The Officer's Certificate shall contain a certification to the Fiscal Agent that the investments being directed are Permitted Investments as required hereunder. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause (h) of the definition thereof; provided, however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received an Officer's Certificate specifying a specific money market fund into which the funds shall be invested and, if no such Officer's Certificate is so received, the Fiscal Agent shall hold such moneys uninvested.

Moneys in any fund or account created or established by this Agreement and held by the Finance Director shall be invested by the Finance Director in any Permitted Investment, which in any event by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in this Agreement any moneys are required to be transferred by the City to the Fiscal Agent, such transfer may be accomplished by transferring a like amount of Permitted Investments.

The Fiscal Agent and its affiliates or the Finance Director may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. Neither the Fiscal Agent nor the Finance Director shall incur any liability for losses arising from any investments made pursuant to this Section. The Fiscal Agent shall not be required to determine the legality of any investments.

Except as otherwise provided in the next sentence, the City shall direct or make investments hereunder such that all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) are be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Code) at Fair Market Value. The City shall direct or make investments hereunder such that investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Reserve Fund are valued at their present value (within the meaning of section 148 of the Code). The Fiscal Agent shall have no duty in connection with the determination of the Fair Market Value of any investment other than to follow: (A) its normal practices in the purchase, sale and determining the value of Permitted Investments; and (B) the investment directions of the City.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Finance Director hereunder, provided that the Fiscal Agent or the Finance Director, as applicable, shall at all times account for such

investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent or the Finance Director, as applicable, shall sell in a commercially reasonable manner, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Finance Director shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent hereunder.

Section 6.02. Limited Obligation. The City's obligations hereunder are limited obligations of the City on behalf of the District and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Special Tax Fund, the Bond Fund (including the Special Tax Prepayments Account therein) and the Reserve Fund created hereunder.

Section 6.03. Liability of City. The City shall not incur any responsibility in respect of the Bonds or this Agreement other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Fiscal Agent herein or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the City, including the Finance Director, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Agreement. The City, including the Finance Director, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Special Tax Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The City and the Finance Director may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel, who may be the City Attorney, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The City shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactory established, if disputed.

Whenever in the administration of its duties under this Agreement the City or the Finance Director shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Fiscal Agent, an Independent Financial Consultant or a Tax Consultant, and such certificate shall be full warrant to the City and the Finance Director for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the City or the Finance Director may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 6.04. Employment of Agents by City. In order to perform its duties and obligations hereunder, the City and/or the Finance Director may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

ARTICLE VII

THE FISCAL AGENT

Section 7.01. Appointment of Fiscal Agent. The Bank of New York Mellon Trust Company, N.A., is hereby appointed Fiscal Agent and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Upon thirty (30) days prior written notice, the City may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank, national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01, combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the City and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the City shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent. Upon such acceptance, the successor Fiscal Agent shall be vested with all rights and powers of its predecessor hereunder without any further act.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Fiscal Agent shall have given to the City written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Owner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

If, by reason of the judgment of any court, or reasonable agency, the Fiscal Agent is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Fiscal Agent hereunder shall be assumed by and vest in the Finance Director of the City in trust for the benefit of the Owners. The City covenants for the direct benefit of the Owners that its Finance Director in such case shall be vested with all of the rights and powers of the Fiscal Agent hereunder, and shall assume all of the responsibilities and perform all of the duties of the Fiscal Agent hereunder, in trust for the benefit of the Owners of the Bonds. In such event, the Finance Director may designate a successor Fiscal Agent qualified to act as Fiscal Agent hereunder.

Section 7.02. Liability of Fiscal Agent. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the City, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement. Except as provided above in this paragraph, Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners pursuant to this Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

The Fiscal Agent shall have no duty or obligation whatsoever to enforce the collection of Special Taxes or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, and its liability shall be limited to the proper accounting for such funds as it shall actually receive.

The Fiscal Agent may consult with counsel who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

In order to perform its duties and obligations hereunder, the Fiscal Agent may employ such persons or entities as it deems necessary or advisable. The Fiscal Agent shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

The Fiscal Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the Fiscal Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Fiscal Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Fiscal Agent in its discretion elects to act upon such instructions, the Fiscal Agent's reasonable understanding of such instructions shall be deemed controlling. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Fiscal Agent, including without limitation the risk of interception and misuse by third parties. Notwithstanding the foregoing, the protections afforded to the Fiscal Agent in the provisions of this paragraph shall be operative only in the absence of the Fiscal Agent's negligence or willful misconduct.

The Fiscal Agent shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of god or of the public enemy or terrorists, acts of a government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Fiscal Agent.

The Fiscal Agent shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

The permissive right of the Fiscal Agent to do things enumerated in this Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

Section 7.03. Information. The Fiscal Agent shall provide to the City such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the City shall reasonably request, including but not limited to quarterly statements reporting funds held and transactions by the Fiscal Agent.

The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund, the Special Tax Prepayments Account, the Reserve Fund and the Costs of

Issuance Fund. Such books of record and accounts shall upon reasonable prior notice at all times during business hours be subject to the inspection of the City and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 7.04. Notice to Fiscal Agent. The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed in good faith by it to be genuine and to have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by an Officer's Certificate, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05. Compensation, Indemnification. The City shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The City further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any costs, expenses, claims or liabilities whatsoever, including without limitation fees and expenses of its attorneys, which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the City under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement, but any monetary obligation of the City arising under this Section shall be limited solely to amounts on deposit in the Administrative Expense Fund.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THIS AGREEMENT

Section 8.01. Amendments Permitted. This Agreement and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or (iii) reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the City in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the City in any material respect;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the City and the Fiscal Agent may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the rights of the Owners of the Bonds;

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from gross federal income taxation of interest on the 2017 Bonds; and

(E) in connection with the issuance of Parity Bonds under and pursuant to Section 2.14.

The Fiscal Agent may in its discretion, but shall not be obligated to, enter into any such Supplemental Agreement authorized by this Section which materially adversely affects the Fiscal Agent's own rights, duties or immunities under this Fiscal Agent Agreement or otherwise with respect to the Bonds or any agreements related thereto.

Section 8.02. Owners' Meetings. The City may at any time call a meeting of the Owners. In such event the City is authorized to fix the time and place of said meeting and to provide for

the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 8.03. Procedure for Amendment with Written Consent of Owners. The City and the Fiscal Agent may at any time adopt a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such Supplemental Agreement shall become effective if there shall be filed with the Fiscal Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 8.04). Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 9.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and is effective. Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 8.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the Authority and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 8.04. Disqualified Bonds. Bonds owned or held for the account of the City, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article VIII; provided, however, that the Fiscal Agent shall not be deemed to have knowledge that any Bond is owned or held by the City unless the City is the registered Owner or the Fiscal Agent has received written notice that any other registered Owner is an Owner for the account of the City.

Section 8.05. Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to this Article VIII, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the City and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental

Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 8.06. Endorsement or Replacement of Bonds Issued After Amendments. The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.07. Amendatory Endorsement of Bonds. The provisions of this Article VIII shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Agreement Limited to Parties. Nothing in this Agreement, expressed or implied, is intended to give to any person other than the City, the Fiscal Agent and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Agreement or any Supplemental Agreement either the City or the Fiscal Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Agreement contained by or on behalf of the City or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Discharge of Agreement. The City shall have the option to pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts provided for in Sections 4.04 and 4.05 is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums; or

(C) by irrevocably depositing with the Fiscal Agent, in trust, cash and Federal Securities in such amount as the City shall determine as confirmed by Bond Counsel or an independent certified public accountant will, together with the interest to accrue thereon and moneys then on deposit in the fund and accounts provided for in Sections 4.04 and 4.05, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

If the City shall have taken any of the actions specified in (A), (B) or (C) above, and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in this Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in this Agreement and all other obligations of the City under this Agreement with respect to such Bonds Outstanding shall cease and terminate. Notice of such election shall be filed with the Fiscal Agent. Notwithstanding the foregoing, the obligation of the City to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon, all amounts owing to the Fiscal Agent pursuant to Section 7.05, and otherwise to assure that no action is taken or failed to be taken if such action or failure adversely affects the exclusion of interest on the Bonds from gross income for federal income tax purposes, shall continue in any event.

Upon compliance by the City with the foregoing with respect to all Bonds Outstanding, any funds held by the Fiscal Agent after payment of all fees and expenses of the Fiscal Agent, which are not required for the purposes of the preceding paragraph, shall be paid over to the City and any Special Taxes thereafter received by the City shall not be remitted to the Fiscal Agent but shall be retained by the City to be used for any purpose permitted under the Act.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Agreement may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Fiscal Agent in good faith and in accordance therewith.

Section 9.05. Waiver of Personal Liability. No Councilmember, officer, official, agent or employee of the City or the District shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such Councilmember, officer, official, agent or employee from the performance of any official duty provided by law.

Section 9.06. Notices to and Demands on City and Fiscal Agent. Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the City may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the City with the Fiscal Agent) as follows:

City of Brea
Civic & Cultural Center
Number One Civic Center Circle, 3rd Floor
Brea, CA 92621-5758
Attention: Administrative Services Director

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the City to or on the Fiscal Agent may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Fiscal Agent with the City) as follows (provided that any such notice shall not be effective until actually received by the Fiscal Agent):

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 400
Los Angeles, CA 90071

Section 9.07. State Reporting Requirements. The following requirements shall apply to the Bonds, in addition to those requirements under Section 5.17:

(A) Annual Reporting. Not later than October 30 of each calendar year, beginning with the October 30 first succeeding the date of the Bonds, and in each calendar year thereafter until the October 30 following the final maturity of the Bonds, the Finance Director shall cause the following information to be supplied to CDIAC: (i) the name of the City; (ii) the full name of the District; (iii) the name, title, and series of the Bond issue; (iv) any credit rating for the Bonds and the name of the rating agency; (v) the Closing Date of the Bond issue and the original principal amount of the Bond issue; (vi) the amount of the Reserve Requirement; (vii) the principal amount of Bonds outstanding; (viii) the balance in the Reserve Fund; (ix) the balance in a capitalized interest account, if any; (x) the number of parcels in the District that are delinquent with respect to Special Tax payments, the amount that each parcel is delinquent, the total amount of Special Taxes due on the delinquent parcels, the length of time that each has been delinquent, when foreclosure was commenced for each delinquent parcel, the total number of foreclosure parcels for each date specified, and the total amount of tax due on the foreclosure parcels for each date specified; (xi) that there is no balance in any improvement fund; (xii) the assessed value of all parcels subject to the Special Tax to repay the Bonds as shown on the most recent equalized roll, the date of assessed value reported, and the source of the information; (xiii) the total amount of Special Taxes due, the total amount of unpaid Special Taxes, and whether or not the Special Taxes are paid under the County's Teeter Plan (Chapter 6.6 (commencing with Section 54773) of the California Government Code); (xiv) the reason and the date, if applicable, that the Bonds were retired; and (xv) contact information for the party providing the foregoing information. The annual reporting shall be made using such form or forms as may be prescribed by CDIAC.

(B) Other Reporting. If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, or if funds are withdrawn from the Reserve Fund to pay principal and interest on the Bonds, the Fiscal Agent shall notify the Finance Director of such failure or withdrawal in writing. The Finance Director shall notify CDIAC and the Original Purchaser of such failure or withdrawal within 10 days of such failure or withdrawal, and the City shall provide notice under the Continuing Disclosure Certificate of such event as required thereunder.

(C) Special Tax Reporting. The Finance Director shall file a report with the City no later than January 1, 2018, and at least once a year thereafter, which annual report shall contain: (i) the amount of Special Taxes collected and expended with respect to the District, (ii) the amount of Bond proceeds collected and expended with respect to the District, and (iii) the status of the Project (if applicable, stating that the Project was completed many years ago). It is acknowledged that the Special Tax Fund is the account into which Special Taxes collected in the District will be deposited for purposes of Section 50075.1(c) of the California Government Code, and the funds and accounts listed in Article IV and the Escrow Fund are the funds and accounts into which Bond proceeds will be deposited for purposes of Section 53410(c) of the California Government Code, and the annual report described in the preceding sentence is intended to satisfy the requirements of Sections 50075.1(d), 50075.3(d) and 53411 of the California Government Code.

(D) Amendment. The reporting requirements of this Section 9.07 shall be amended from time to time, without action by the Authority or the Fiscal Agent (i) with respect to subparagraphs (A) and (B) above, to reflect any amendments to Section 53359.5(b) or Section 53359.5(c) of the Act, and (ii) with respect to subparagraph (C) above, to reflect any amendments to Section 50075.1, 50075.3, 53410 or 53411 of the California Government Code. The City shall notify the Fiscal Agent in writing of any such amendments which affect the reporting obligations of the Fiscal Agent under this Agreement.

(E) No Liability. None of the City and its officers, agents and employees, the Finance Director or the Fiscal Agent shall be liable for any inadvertent error in reporting the information required by this Section 9.07.

The Finance Director shall provide copies of any of such reports to any Bondowner upon the written request of a Bondowner and payment by the person requesting the information of the cost of the City to produce such information and pay any postage or other delivery cost to provide the same, as determined by the Finance Director. The term "Bondowner" for purposes of this Section 9.07 shall include any Beneficial Owner (as defined in Section 2.13) of the Bonds.

Section 9.08. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The City hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 9.09. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent in trust for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys was held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the City as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Owners shall look only to the City for the payment of the principal of, and interest and any premium on, such Bonds. Any right of any Owner to look to the City for such payment shall survive only so long as required under applicable law.

Section 9.10. Applicable Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 9.11. Conflict with Act. In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 9.12. Conclusive Evidence of Regularity. Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 9.13. Payment on Business Day. In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of

any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 9.14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the City and the Fiscal Agent have caused this Fiscal Agent Agreement to be executed all as of November 1, 2017.

CITY OF BREA, CALIFORNIA for and on
behalf of CITY OF BREA COMMUNITY
FACILITIES DISTRICT NO. 2008-2 (BREA
PLAZA AREA PUBLIC IMPROVEMENTS)

By: _____

Its: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Fiscal Agent

By: _____
Authorized Officer

02000.08:J14850

EXHIBIT A

FORM OF 2017 BOND

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. _____

\$ _____

CITY OF BREA
COMMUNITY FACILITIES DISTRICT NO. 2008-2
(BREA PLAZA AREA PUBLIC IMPROVEMENTS)
2017 SPECIAL TAX REFUNDING BOND

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
_____%	September 1, ____	November __, 2017	

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS

The City of Brea, California (the "City") for and on behalf of City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) (the "District"), for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) to be collected in the District or amounts in the funds and accounts held under the Agreement (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from the Bond Date set forth above, or from the most recent interest payment date to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2018, at the interest rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the registered owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office (as defined in the Agreement referred to below) of The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed on each interest payment date to the registered owner hereof as of the close of business on the 15th day of the month preceding the month in which the interest payment date occurs (the "Record Date") at such registered owner's address as it appears on the registration books maintained by the Fiscal Agent, or upon written request filed with the Fiscal Agent prior to any Record Date by a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to the depository for the Bonds or to an account in the United States designated by such registered owner in such written request, respectively.

This Bond is one of a duly authorized issue of bonds in the aggregate principal amount of \$_____ approved by the City Council of the City by Resolution No. _____ adopted on October 17, 2017 (the "Resolution") pursuant to Sections 53311 et seq. of the California Government Code (the "Act") and Article 11 of Chapter 3 of Part 1 of Division 2 of the California Government Code, all for the purpose of refunding the City's Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2009 Special Tax Bonds, and is one

of the series of Bonds designated "City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2017 Special Tax Refunding Bonds (the "Bonds"). The creation of the Bonds and the terms and conditions thereof are provided for by the Resolution and the Fiscal Agent Agreement, dated as of November 1, 2017, between the City and the Fiscal Agent (the "Agreement") and this reference incorporates the Resolution and the Agreement herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. The Resolution is adopted and the Agreement is entered into under and this Bond is issued under, and all are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act, the Agreement and the Resolution, the principal of and interest on this Bond are payable solely from the annual special tax authorized under the Act to be collected within the District (the "Special Tax") and certain funds held under the Agreement.

Interest on this Bond shall be payable from the interest payment date next preceding the date of authentication hereof, unless (i) it is authorized on an interest payment date, in which event it shall bear interest for such interest payment date, or (ii) such date of authentication is after a Record Date but on or prior to an interest payment date, in which event interest will be payable from such interest payment date, or (iii) such date of authentication is prior to the first Record Date, in which event interest will be payable from the Bond Date set forth above; provided however, that if at the time of authentication of this Bond, interest is in default hereon, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment hereon.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City of Brea, as may be permitted by law. The Bonds do not constitute obligations of the City of Brea for which said City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described hereinabove.

The Bonds maturing on or after September 1, ____ are subject to redemption prior to their stated maturity on any interest payment date occurring on or after September 1, ____, as a whole or in part in an amount equal to \$5,000 or any integral multiple thereof among maturities as provided in the Agreement, and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), as set forth below, together with accrued interest thereon to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
September 1, ____ and March 1, ____	%
September 1, ____ and March 1, ____	
September 1, ____ and any Interest Payment	
Date thereafter	

The Bonds maturing on September 1, ____, are subject to mandatory sinking payment redemption in part on September 1, ____ and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Redemption Date
(September 1)

Sinking Payments

[to come]

The Bonds are also subject to redemption from the proceeds of Special Tax Prepayments and any corresponding transfers from the Reserve Fund pursuant to the Agreement, on any Interest Payment Date, in whole, or in part in any amount equal to \$5,000 or any integral multiple thereof among maturities as specified in the Agreement and by lot within a maturity, at a redemption price (expressed as a percentage at the principal amount of the Bonds to be redeemed), as set forth below, together with accrued interest to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
any Interest Payment Date from March 1, 2018 to and including March 1, ____	%
September 1, ____ and March 1, ____	
September 1, ____ and March 1, ____	
September 1, ____ and any Interest Payment Date thereafter	

Notice of redemption with respect to the Bonds to be redeemed shall be given to the registered owners thereof, in the manner, to the extent and subject to the provisions of the Agreement. Notices of optional redemption may be conditioned upon receipt by the Fiscal Agent of sufficient moneys to redeem the Bonds on the anticipated redemption date, and if the Fiscal Agent does not receive sufficient funds by the scheduled redemption date the redemption shall not occur and the Bonds for which notice of redemption was given shall remain outstanding for all purposes of the Agreement.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Agreement, Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount and maturity of Bonds of other authorized denominations.

Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such owner's order. The Fiscal Agent shall require the registered owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) fifteen days prior to the date established by the Fiscal Agent for selection of Bonds for redemption, (ii) with respect to a Bond after such Bond has been selected for redemption, or (iii) between a Record Date and the succeeding

Interest Payment Date. Exchanges may only be made for Bonds in authorized denominations, as provided in the Agreement.

The Agreement and the rights and obligations of the City thereunder may be modified or amended as set forth therein. The Agreement contains provisions permitting the City to make provision for the payment of the interest on, and the principal and premium, if any, of the Bonds so that such Bonds shall no longer be deemed to be outstanding under the terms of the Agreement.

The Bonds are not general obligations of the City, but are limited obligations payable solely from the revenues and funds pledged therefor under the Agreement. Neither the faith and credit of the City or the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Fiscal Agent.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Fiscal Agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, City of Brea has caused this Bond to be dated the Bond Date set forth above, to be signed by the manual or facsimile signature of its Mayor and countersigned by the manual or facsimile signature of its City Clerk.

CITY OF BREA, CALIFORNIA

[S E A L]

By: _____
Mayor

ATTEST

By: _____
City Clerk

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Resolution and in the Agreement which has been authenticated on _____.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Fiscal Agent

By: _____
Authorized Officer

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or Social Security Number of Assignee)
the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) _____ attorney,
to transfer the same on the registration books of the Fiscal Agent with full power of substitution
in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

ESCROW AGREEMENT

by and between the

CITY OF BREA, CALIFORNIA

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Escrow Bank**

dated as of November 1, 2017

**relating to:
City of Brea
Community Facilities District No. 2008-2
(Brea Plaza Area Public Improvements)
2009 Special Tax Bonds**

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ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Agreement"), dated as of November 1, 2017, is by and between the CITY OF BREA, CALIFORNIA, a municipal corporation organized and existing under the laws of the State of California (the "City"), for and on behalf of the CITY OF BREA COMMUNITY FACILITIES DISTRICT NO. 2008-2 (BREA PLAZA AREA PUBLIC IMPROVEMENTS) (the "District"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as successor Fiscal Agent for the Prior Bonds hereinafter referred to and acting as escrow bank hereunder (the "Escrow Bank").

RECITALS:

WHEREAS, the City Council of the City has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, to form the District, to authorize the levy of special taxes upon the land within the District, and to issue bonds secured by said special taxes to finance certain facilities; and

WHEREAS, pursuant to a Fiscal Agent Agreement, dated as of December 1, 2009 (the "Prior Fiscal Agent Agreement"), between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"), the City has issued, for and on behalf of the District, its City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2009 Special Tax Bonds (the "Prior Bonds"); and

WHEREAS, the City has determined to issue, for and on behalf of the District, pursuant to a Fiscal Agent Agreement, dated as of November 1, 2017 (the "2017 Agreement"), between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent, special tax refunding bonds in the aggregate principal amount of \$_____ (the "Refunding Bonds") at this time for the purposes of providing funds to currently refund and defease the Prior Bonds; and

WHEREAS, the City and the Escrow Bank wish to enter into this Agreement for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of the Prior Bonds in full, pursuant to and in accordance with the provisions of Section 9.03(B) of the Prior Fiscal Agent Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

Section 1. Establishment of Refunding Fund. There is hereby created an escrow fund (the "Refunding Fund") to be held in trust by the Escrow Bank as an irrevocable escrow securing the payment of the Prior Bonds, as hereinafter set forth. The Escrow Bank shall administer the Refunding Fund as provided in this Agreement. All cash and securities in the Refunding Fund are hereby irrevocably pledged as a special fund for the payment of the scheduled debt service to and including September 1, 2019 on, and the redemption price on September 1, 2019 of, as applicable, the Prior Bonds in accordance with the provisions of this Agreement and the Prior Fiscal Agent Agreement. The Escrow Bank shall have no lien upon or right of set off against the funds at any time on deposit in the Refunding Fund.

If at any time the Escrow Bank shall receive actual knowledge that the cash in the Refunding Fund will not be sufficient to make any payment required by Section 3 hereof, the Escrow Bank shall notify the City of such fact and the City shall immediately cure such deficiency from any source of funds legally available to the District. The Escrow Bank shall have no obligation whatsoever to use its own funds to cure any such deficiency.

Section 2. Deposit into Refunding Fund; Investment of Amounts. (a) Concurrent with delivery of the Refunding Bonds, the City shall cause to be transferred to the Escrow Bank for deposit into the Refunding Fund the amount of \$_____ in immediately available funds, which shall be derived from (i) proceeds of sale of the Refunding Bonds in the amount of \$_____, (ii) the moneys on deposit in the reserve fund established under the Prior Fiscal Agent Agreement (the "Reserve Fund") in the amount of \$_____, and (iii) the moneys held in the special tax fund established under the Prior Fiscal Agent Agreement (the "Special Tax Fund") in the amount of \$_____. The Escrow Bank, in its capacity as Fiscal Agent for the Prior Bonds, is hereby directed by the City to make a transfer of funds from the Reserve Fund under the Prior Fiscal Agent Agreement to the Refunding Fund as described in clause (ii) of the preceding sentence.

(b) The Escrow Bank shall invest \$_____ of the moneys deposited into the Refunding Fund pursuant to the preceding paragraph in the Federal Securities (as defined in the Prior Fiscal Agent Agreement) described in Exhibit D attached hereto (the "Escrowed Federal Securities"), and shall hold the remaining \$_____ in cash, uninvested. The Escrowed Federal Securities shall be deposited with and held by the Escrow Bank in the Refunding Fund solely for the uses and purposes set forth herein.

(c) The Escrow Bank may rely upon the conclusion of Causey Demgen & Moore P.C., as contained in its opinion and accompanying schedules (the "Report") dated November __, 2017, that the Escrowed Federal Securities mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be sufficient to provide for the payment of the scheduled debt service due on the Prior Bonds to and including September 1, 2019, and the redemption of the outstanding Prior Bonds that mature on and after September 1, 2020 on September 1, 2019 (the "Redemption Date") at a redemption price equal to the principal amount of the Prior Bonds to be redeemed, together with accrued interest to the Redemption Date, without premium (the "Redemption Price"), as set forth in Exhibit A hereto.

(d) The Escrow Bank shall not be liable or responsible for any loss resulting from its full compliance with the provisions of this Escrow Agreement.

Section 3. Instructions as to Application of Refunding Fund. The cash and Escrowed Federal Securities held in the Refunding Fund hereunder shall be applied by the Escrow Bank for the sole purpose of paying the interest on and the Redemption Price of the Prior Bonds in accordance with Section 2.03(A)(i) of the Prior Fiscal Agent Agreement and the schedule set forth in Exhibit A hereto. Following payment in full of the Redemption Price of the Prior Bonds, any amounts on deposit in the Refunding Fund shall be transferred by the Escrow Bank on September 2, 2019 to the City, for deposit by the City in the Special Tax Fund established pursuant to the 2017 Agreement.

The Escrow Bank, in its capacity as Fiscal Agent under the Prior Fiscal Agent Agreement, is hereby directed to apply the amounts in the Refunding Fund to the payment and redemption of the Prior Bonds pursuant to the preceding paragraph. The Escrow Bank is hereby directed, in its capacity as Fiscal Agent under the Prior Fiscal Agent Agreement, to provide notice of redemption (at the expense of the District) in substantially the form set forth in Exhibit B hereto, as required under Section 2.03(C) of the Prior Fiscal Agent Agreement to effect such redemption.

The Escrow Bank, in its capacity as Fiscal Agent, is hereby requested by the City, and the Escrow Bank, in its capacity as Fiscal Agent, hereby agrees to promptly give notice of the defeasance of the Prior Bonds in the form of defeasance notice attached hereto as Exhibit C.

Section 4. Application of Proceeds from Prior Bond Funds. Upon receipt by the Escrow Bank from the Fiscal Agent for the Prior Bonds and the City, as applicable, of certain amounts on deposit in the funds and accounts established under the Prior Fiscal Agent Agreement as of the date of delivery of the Refunding Bonds, such amount received shall be applied by the Escrow Bank as follows:

(a) of amounts on deposit in the Reserve Fund established under the Prior Fiscal Agent Agreement, \$_____ transferred by the Fiscal Agent for the Prior Bonds to the Escrow Bank shall be deposited by the Escrow Bank in the Refunding Fund; and

(b) of amounts on deposit in the Special Tax Fund established under the Prior Fiscal Agent Agreement, \$_____ transferred by the City to the Escrow Bank shall be deposited by the Escrow Bank in the Refunding Fund.

After making the foregoing deposits and transfers, any other amounts remaining on deposit in or accruing to any funds and accounts established under the Prior Fiscal Agent Agreement shall be disposed of as provided in the 2014 Agreement.

Section 5. Application of Certain Terms of Prior Fiscal Agent Agreement. All of the terms of the Prior Fiscal Agent Agreement relating to the making of payments of the principal of and interest on the Prior Bonds are incorporated in this Agreement as if set forth in full herein.

Section 6. Proceedings for Redemption of Prior Bonds. The City hereby irrevocably elects to redeem all of the outstanding Prior Bonds that mature on or after September 1, 2020 in full on September 1, 2019 pursuant to the provisions of Section 2.03(A)(i) of the Prior Fiscal Agent Agreement. It is hereby acknowledged that notice of such redemption is to be given by the Escrow Bank as described in the second paragraph of Section 3 above, at the expense of the District.

Section 7. Compensation to Escrow Bank. The City shall pay the Escrow Bank, promptly upon written request, full compensation for its duties under this Agreement, including out-of-pocket costs such as publication costs, redemption expenses, reasonable legal fees (including fees of outside counsel and the allocated costs of internal attorneys) and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in or credited to the Refunding Fund be deemed to be available for said purposes. The obligation of the City under this Section 7 to pay compensation already earned by the Escrow Bank and to pay costs and expenses already incurred shall survive termination of this Agreement and shall survive the resignation or removal of the Escrow Bank.

Section 8. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Agreement unless the City shall have deposited sufficient funds therefor with the Escrow Bank. The Escrow Bank may rely and shall be fully protected in acting upon the written instructions of the City or its agents relating to any matter or action as Escrow Bank under this Agreement.

The City covenants to indemnify, defend and hold harmless the Escrow Bank and its officers, employees, directors and agents, solely from funds of the District, against any loss, liability or reasonable expense, including reasonable legal fees (including the fees of outside

counsel and internal attorneys), incurred in connection with the performance of any of the duties of Escrow Bank hereunder, except the Escrow Bank shall not be indemnified against any loss, liability or expense resulting from its negligence or willful misconduct. The indemnity provided in this Section 8 shall survive the termination of this Agreement and shall survive the resignation or removal of the Escrow Bank.

The Escrow Bank shall have such duties as are expressly set forth herein and no implied duties shall be read into this Agreement against the Escrow Bank. The Escrow Bank shall not be liable for any act or omission of the City under this Agreement or the Prior Fiscal Agent Agreement.

The Escrow Bank shall not be liable for the accuracy of any calculations provided as to the sufficiency of moneys deposited with it to pay the principal of and interest on the Prior Bonds.

Any bank, federal savings association, national association or trust company into which the Escrow Bank may be merged or with which it may be consolidated shall become the Escrow Bank without any action of the City.

The Escrow Bank shall have no liability or obligation to the holders of the Prior Bonds or the Refunding Bonds with respect to the payment of debt service by the City or with respect to the observance or performance by the City of the other conditions, covenants and terms contained in the Prior Fiscal Agent Agreement or the 2014 Fiscal Agent Agreement (collectively, the "Bond Agreements"), or with respect to the investment of any moneys in any fund or account established, held or maintained by the City pursuant to the Bond Agreements.

The Escrow Bank may conclusively rely, as to the trust of the statements and correctness of the opinions expressed therein, on any certificate or opinion furnished to it in accordance with this Agreement or the Prior Fiscal Agent Agreement. The Escrow Bank may consult with counsel who may be counsel to the City, whose opinion shall be full and complete authorization and protection to the Escrow Bank if it acts in accordance with such opinion.

The Escrow Bank shall not be liable for any error of judgment made in good faith by an authorized officer.

Nothing herein should be interpreted to require the Escrow Bank to expend, advance or risk its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights hereunder, if it believes that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured.

Any corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Bank shall be the successor of the Escrow Bank hereunder, without the execution or filing of any paper or any further act on the part of the any of the parties hereto.

The Escrow Bank shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Bank be liable for any special indirect or consequential damages.

The Escrow Bank shall not be responsible for any of the recitals or representations contained herein.

The Escrow Bank may execute any of the trusts or powers under this Agreement or perform any duties under this Agreement either directly or by or through agents, attorneys,

custodians or nominees, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed with due care.

The Escrow Bank agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that, the Escrow Bank shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Escrow Bank e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Bank in its discretion elects to act upon such instructions, the Escrow Bank's reasonable understanding of such instructions shall be deemed controlling. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties. Notwithstanding the foregoing, the protections afforded to the Escrow Bank in the provisions of this paragraph shall be operative only in the absence of the Escrow Bank's negligence or willful misconduct.

Section 9. Resignation of Escrow Bank. The Escrow Bank may at any time resign by giving written notice to the City, which notice shall indicate the date on which the resignation is to be effective (the "resignation date"). The City shall promptly appoint a successor Escrow Bank by the resignation date. Resignation of the Escrow Bank will be effective only upon acceptance of appointment by a successor Escrow Bank. If the City does not appoint a successor Escrow Bank by the resignation date, the Escrow Bank may, at the expense of the City, petition any court of competent jurisdiction for the appointment of a successor Escrow Bank, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Bank.

Section 10. Amendment. This Agreement may be amended or modified by the parties hereto, but only if there shall have been filed with the City and the Escrow Bank (a) a written opinion of Bond Counsel (as defined in the Prior Fiscal Agent Agreement) stating that such amendment will not materially adversely affect the interests of the owners of the Prior Bonds, and that such amendment will not cause interest on the Prior Bonds or the Refunding Bonds to become includable in the gross income of the owners thereof for federal income tax purposes, and (b) a certification of Bond Counsel or an independent certified public accountant that the funds on deposit in the Refunding Fund will be in an amount at all times at least sufficient to make the payments specified in Section 3 hereof.

Section 11. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Escrow Bank in trust for the payment and discharge of the principal of, and the interest and any premium on, the Prior Bonds which remains unclaimed for two (2) years after the date when the payment of such principal and interest have become payable, if such moneys were held by the Escrow Bank at such date, shall be repaid by the Escrow Bank to the City as its absolute property free from any trust, and the Escrow Bank shall thereupon be released and discharged with respect thereto and the owners of such Prior Bonds shall look only to the City for the payment of the principal of, and interest and any premium on, such Prior Bonds. Any right of any Prior Bondowner to look to the City for such payment shall survive only so long as required under applicable law.

Section 12. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in California.

IN WITNESS WHEREOF, the City and the Escrow Bank have each caused this Agreement to be executed by their duly authorized officers all as of the date first above written.

CITY OF BREA, CALIFORNIA, for and on
behalf of the CITY OF BREA COMMUNITY
FACILITIES DISTRICT NO. 2008-2 (BREA
PLAZA AREA PUBLIC IMPROVEMENTS)

By: _____

Its: _____

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Escrow Bank

By: _____

Vice President

02000.08:J14847

EXHIBIT A

SCHEDULE OF PAYMENTS ON PRIOR BONDS

Payment Date	Interest	Principal	Called Principal	Total Due
March 1, 2018	\$	\$	\$	\$
September 1, 2018				
March 1, 2019				
September 1, 2019				

EXHIBIT B

FORM OF NOTICE OF REDEMPTION

NOTICE OF FULL/FINAL REDEMPTION OF

**City of Brea
Community Facilities District No. 2008-2
(Brea Plaza Area Public Improvements)
2009 Special Tax Bonds**

Maturity Date	Amount Called	Redemption Price ⁽¹⁾	Interest Rate	CUSIP Number ⁽²⁾
September 1, 2019	\$ 115,000	100%	6.125%	106265 FG1
September 1, 2020	130,000	100	6.125	106265 FH9
September 1, 2021	145,000	100	6.250	106265 FJ5
September 1, 2022	160,000	100	6.375	106265 FK2
September 1, 2023	180,000	100	6.500	106265 FL0
September 1, 2024	200,000	100	6.500	106265 FM8
September 1, 2025	220,000	100	6.625	106265 FN6
September 1, 2026	240,000	100	6.750	106265 FP1
September 1, 2027	265,000	100	6.875	106265 FQ9
September 1, 2028	290,000	100	7.000	106265 FR7
September 1, 2039	5,690,000	100	7.375	106265 FS0

NOTICE is hereby given that the City of Brea, California (the "City") has called for redemption on September 1, 2019 (the "Redemption Date") all of its outstanding Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2009 Special Tax Bonds, which are listed above (the "Bonds"), at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption (the "Redemption Price").

On the Redemption Date, the Redemption Price will become due and payable upon each Bond and interest with respect thereto shall cease to accrue from and after the Redemption Date.

Payment of principal will be made upon presentation of the Bonds on and after September 1, 2019, at one of the following addresses:

First Class/Registered/Certified
The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, NY 13057

Express Delivery Only
The Bank of New York Mellon
Global Corporate Trust
111 Sanders Creek Parkway
East Syracuse, NY 13057

By Hand Only
The Bank of New York Mellon
Global Corporate Trust
Corporate Trust Window
101 Barclay Street 1st Floor East
New York, NY 10286

Owners of Bonds presenting their certificates in person for the same day payment must surrender their certificate by 1:00 p.m. on the prepayment date and a check will be available for pickup after 2:00 p.m. Checks not picked up by 4:30 p.m. will be mailed to the Bondholder by first class mail.

Interest on the Bonds shall cease to accrue on and after the Redemption Date.

Under applicable federal law, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment is made if the Bondowner's

tax identification number is not properly certified. The Form W-9 may be obtained from the Internal Revenue Service.

Dated: _____, 2019

THE BANK OF NEW YORK
MELLON TRUST COMPANY, N.A.,
as Fiscal Agent

(1) Accrued interest to be added.

(2) Neither the City nor The Bank of New York Mellon Trust Company, N.A., as fiscal agent, shall be held responsible for the selection or use of CUSIP numbers, nor is any representation made as to their correctness as shown in this Notice of Full/Final Redemption. They are included solely for convenience of the owners of the Bonds.

EXHIBIT C

NOTICE OF DEFEASANCE

City of Brea
Community Facilities District No. 2008-2
(Brea Plaza Area Public Improvements)
2009 Special Tax Bonds

Maturity Date	Amount Defeased	CUSIP Number
September 1, 2018	\$ 105,000	106265 FF3
September 1, 2019	115,000	106265 FG1
September 1, 2020	130,000	106265 FH9
September 1, 2021	145,000	106265 FJ5
September 1, 2022	160,000	106265 FK2
September 1, 2023	180,000	106265 FL0
September 1, 2024	200,000	106265 FM8
September 1, 2025	220,000	106265 FN6
September 1, 2026	240,000	106265 FP1
September 1, 2027	265,000	106265 FQ9
September 1, 2028	290,000	106265 FR7
September 1, 2039	5,690,000	106265 FS0

NOTICE IS HEREBY GIVEN, on behalf of the City of Brea, California (the "City") to the owners of the outstanding City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2009 Special Tax Bonds (the "Bonds"), that pursuant to the Fiscal Agent Agreement pursuant to which the Bonds were issued (the "Fiscal Agent Agreement") the lien of the Fiscal Agent Agreement with respect to the Bonds has been discharged through the irrevocable deposit of cash and federal securities in an escrow fund (the "Refunding Fund"). The Refunding Fund has been established and is being maintained pursuant to that certain Escrow Agreement, dated as of November 1, 2017, by and between the City, for and on behalf of the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) (the "District"), and The Bank of New York Mellon Trust Company, N.A., as escrow bank. As a result of such deposit, the Bonds are deemed to have been paid and defeased in accordance with the Fiscal Agent Agreement. The pledge of the funds provided for under the Fiscal Agent Agreement and all other obligations of the City and the District to the owners of the Bonds shall hereafter be limited to the application of moneys in the Refunding Fund for the payment of the redemption price of the Bonds as described below.

The cash and federal securities held in the Refunding Fund are calculated to provide sufficient moneys to pay the scheduled debt service on the Bonds to and including September 1, 2019, and to redeem the Bonds maturing on and after September 1, 2020 in full on September 1, 2019 at a redemption price equal to 100% of the principal thereof plus accrued interest to such date.

DATED this ____ day of _____, 2017

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Escrow Bank

EXHIBIT D

SCHEDULE OF ESCROWED FEDERAL SECURITIES

Type	Maturity	Coupon	Principal	Price
		_____%	\$____	\$____

\$ _____
CITY OF BREA
COMMUNITY FACILITIES DISTRICT NO. 2008-2
(BREA PLAZA AREA PUBLIC IMPROVEMENTS)
2017 SPECIAL TAX REFUNDING BONDS

BOND PURCHASE CONTRACT

_____, 2017

City of Brea,
for and on behalf of City of Brea Community Facilities District No. 2008-2
(Brea Plaza Area Public Improvements)
1 Civic Center Circle
Brea, California 92821
Attention: Administrative Services Director

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”) offers to enter into this Bond Purchase Contract (this “**Purchase Contract**”) with the City of Brea (the “**City**”), for and on behalf of the City of Brea Community Facilities District No. 2008-02 (Brea Plaza Area Public Improvements) (the “**District**”). This offer is made subject to the City’s acceptance by execution of this Purchase Contract and delivery of the same to the Underwriter on or before 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to such acceptance. Upon the City’s acceptance hereof, the Purchase Contract will be binding upon the City and the Underwriter. Capitalized terms that are used in this Purchase Contract and not otherwise defined have the respective meanings given to such terms in the Fiscal Agent Agreement (as such term is defined below).

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations that are set forth in this Purchase Contract, the Underwriter agrees to purchase from the City, and the City, for and on behalf of the District, agrees to sell and deliver to the Underwriter, all (but not less than all) of the \$_____ City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2017 Special Tax Refunding Bonds (the “**Bonds**”) at a purchase price of \$_____ (being an amount equal to the principal amount of the Bonds [plus/less] [net] original issue [premium/discount] of \$_____ and less an Underwriter’s discount of \$_____). The obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be conditioned on the sale and delivery of all of the Bonds by the City to the Underwriter at Closing (as such term is defined herein).

Section 2. Bond Terms; Authorizing Instruments.

(a) The Bonds shall be dated their date of delivery and shall mature and bear interest as set forth on Exhibit A. The Bonds shall be as described in, and shall be issued and secured under, Fiscal

Agent Agreement (the “**Fiscal Agent Agreement**”), dated as of October 1, 2017, by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “**Fiscal Agent**”). The Bonds are payable and subject to redemption as provided in the Fiscal Agent Agreement and as described in the Official Statement (as such term is defined herein).

(b) The Bonds will be issued pursuant to the Act. The Bonds are payable from and secured by the City’s pledge of Special Tax Revenues under and as defined in the Fiscal Agent Agreement.

(c) The net proceeds of the sale of the Bonds will be used: (i) to refund the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2009 Special Tax Bonds (the “**2009 Bonds**”); (ii) to fund a deposit to the Reserve Fund for the Bonds; and (iii) to pay costs incurred in connection with the issuance of the Bonds.

Section 3. Public Offering.

(a) The Underwriter agrees to make an initial public offering of all of the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The City acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm’s length commercial transaction between the City and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and not as agent, fiduciary or Municipal Advisor (as such term is defined in Section 15B of The Securities Exchange Act of 1934, as amended) of the City; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters); (iv) the Underwriter has financial interests that may differ from and be adverse to those of the City; and (v) the City has consulted with its own legal and financial advisors to the extent that it has deemed appropriate.

(b) The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing (as defined below) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit F, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel (as defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the City under this section to establish the issue price of the Bonds may be taken on behalf of the City by the City’s municipal advisor, Fieldman Rolapp & Associates (the “**Municipal Advisor**”) and any notice or report to be provided to the City may be provided to the City’s Municipal Advisor.

(c) [Except as otherwise set forth in Exhibit A attached hereto,] the City will treat the first price at which 10% of each maturity of the Bonds (the “**10% test**”), identified under the column “10% Test Used” in Exhibit A, is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the

Underwriter shall report to the City the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(d) [The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column “Hold the Offering Price Rule Used,” as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(A) the close of the fifth (5th) business day after the sale date; or

(B) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the City when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.]

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(A) “public” means any person other than an underwriter or a related party;

(B) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

(C) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the

total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(D) “sale date” means the date of execution of this Purchase Contract by all parties.

Section 4. Official Statement; Continuing Disclosure.

(a) The City has delivered to the Underwriter the Preliminary Official Statement dated _____, 2017 (the “**Preliminary Official Statement**”) and will deliver to the Underwriter the final Official Statement dated the date of this Purchase Contract (as amended and supplemented from time to time pursuant to Section 5(i) of this Purchase Contract, the “**Official Statement**”) within seven business days.

(b) The City authorizes the use of the Official Statement and the information that is contained therein by the Underwriter in connection with the public offering and the sale of the Bonds. The City consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Underwriter agrees that it will not send any confirmation requesting payment for the purchase of any Bonds unless the confirmation is accompanied by or preceded by the delivery of a copy of the Official Statement. The Underwriter agrees: (i) to provide the City with final pricing information on the Bonds on a timely basis prior to the Closing; and (ii) to take any and all other actions that are necessary to comply with applicable rules of the Securities and Exchange Commission (the “**SEC**”) and the Municipal Securities Rulemaking Board (the “**MSRB**”) governing the offering, sale and delivery of the Bonds to ultimate purchasers.

(c) In connection with the issuance of the Bonds, and in order to assist the Underwriter in complying with the provisions of SEC Rule 15c2-12 (“**Rule 15c2-12**”), the City will enter into a Continuing Disclosure Certificate (the “**Continuing Disclosure Undertaking**”) dated October __, 2017, under which the City will undertake to provide certain financial and operating data as required by Rule 15c2-12. The form of the Continuing Disclosure Undertaking is attached as an appendix to the Preliminary Official Statement.

Section 5. Representations, Warranties and Covenants of the City. The City hereby represents, warrants and agrees with the Underwriter that:

(a) The City Council of the City has taken official action by resolution (the “**City Resolution**”) that was adopted by a majority of the members of the City Council of the City at a regular meeting that was duly called, noticed and conducted, at which a quorum was present and acting throughout, authorizing the execution, delivery and due performance of: (i) the Fiscal Agent Agreement; (ii) the Continuing Disclosure Undertaking; (iii) the Escrow Agreement, dated as of October 1, 2017 (the “**Escrow Agreement**”), by and between the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “**Escrow Agent**”), related to the 2009 Bonds; and

(iv) this Purchase Contract (collectively, the “**City Agreements**”) and the Official Statement, and the taking of any and all such action as may be required on the part of the City to carry out, give effect to and consummate the transactions that are contemplated hereby.

(b) The City is a general law city that is duly organized and existing under the laws of the State of California (the “**State**”) and has all necessary power and authority to adopt the City Resolution and to enter into and perform its duties under the City Agreements and the Formation Documents (as such term is defined herein). The District is a community facilities district that is duly organized and existing under the Act.

(c) By all necessary official action, the City has: (i) duly authorized the preparation and delivery of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement; (ii) duly authorized and approved the execution and delivery of, and the performance of its obligations under, the Bonds and the City Agreements and the Formation Documents (as defined in Section 7(f)(V) herein); and (iii) duly authorized the consummation by the City of all other transactions that are contemplated by the City Resolution, the City Agreements, the Formation Documents, the Preliminary Official Statement and the Official Statement. When executed and delivered, the City Agreements (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(d) At the time of the City’s acceptance hereof and at all times subsequent thereto up to and including the time of the Closing, the information and statements in the Preliminary Official Statement and the Official Statement do not and will not contain any untrue statement of a material fact or omit to state a material fact that is required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no representation is made with respect to information relating to DTC (as such term is defined herein) or DTC’s book-entry system or the information under the caption “DISTRICT PROPERTY OWNERSHIP AND DEVELOPMENT”).

(e) As of the date hereof, except as described in the Preliminary Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body that is pending against, and notice of which has been served on and received by, the City or the District, or, to the best knowledge of the City, threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the City or the District, or the titles of their respective members or officers; (ii) in any way question or affect the validity or enforceability of the City Agreements, the Formation Documents, the Bonds or the exclusion of the interest on the Bonds from taxation; or (iii) in any way question or affect the Purchase Contract or the transactions contemplated by the Purchase Contract, the Official Statement, or any other agreement or instrument to which the City or the District is a party relating to the Bonds.

(f) There is no consent, approval, authorization or other order of, filing or registration with, or certification by, any regulatory authority that has jurisdiction over the City or the District that is required for the execution and delivery of this Purchase Contract and the other City Agreements or

the consummation by the City or the District of the other transactions that are contemplated by the Official Statement or the City Agreements.

(g) Any certificate that is signed by any official of the City or the District who is authorized to do so shall be deemed a representation and warranty by the City or the District, as applicable, to the Underwriter as to the statements made therein.

(h) The City and the District are not in default, and at no time have the City or the District defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(i) If any event occurs of which the City has knowledge between the date of this Purchase Contract and the date of the Closing that might or would cause the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact that is required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City will notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate with the Underwriter in causing the Official Statement to be amended or supplemented in a form and in a manner that is approved by the Underwriter. All expenses that are thereby incurred will be paid by the City, and the Underwriter will file, or cause to be filed, the amended or supplemented Official Statement with the MSRB's Electronic Municipal Market Access database ("EMMA").

(j) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order: (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions. The City will not be required to execute a general or special consent to service of process or to qualify to do business in connection with any such qualification or determination in any jurisdiction.

(k) The City and the District are not in any material respect in breach of or default under: (i) any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any agency or instrumentality of either; (ii) any applicable judgment or decree; or (iii) any loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the City or the District is a party, which breach or default has or may have an adverse effect on the ability of the City to perform its obligations under the City Agreements or the Formation Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and delivery of the City Agreements, if applicable, and compliance with the provisions on the City's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the City or the District is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or the District or under the terms of any such law, regulation or instrument, except as may be provided by the City Agreements.

(l) Except as set forth in the Preliminary Official Statement under the caption “CONCLUDING INFORMATION-Continuing Disclosure,” the City and the District have complied in all material respects with its continuing disclosure undertakings in the past five years.

(m) The City will refrain from taking any action, or permitting any action to be taken, with regard to which the City or the District may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

Section 6. The Closing.

(a) At 8:00 A.M., California time, on _____, 2017 (the “**Closing Date**”), or on such earlier or later time or date as may be agreed upon by the Underwriter and the City, the City shall deliver, or cause to be delivered, to the Fiscal Agent the Bonds in definitive form, registered in the name of Cede & Co., as the nominee of The Depository Trust Company, New York, New York (“**DTC**”) (so that the Bonds may be authenticated by the Fiscal Agent and credited to the account that is specified by the Underwriter under DTC’s FAST procedures). Prior to the Closing, the City shall deliver, at the offices of Quint & Thimmig LLP (“**Bond Counsel**”) in Larkspur, California, or at such other place as is mutually agreed upon by the Underwriter and the City, the other documents that are described in this Purchase Contract. On the date of the Closing, the Underwriter shall pay the purchase price of the Bonds as set forth in Section 1 of this Purchase Contract in immediately available funds to the order of the Fiscal Agent. The payment for the Bonds and simultaneous delivery of the Bonds to the Underwriter is herein referred to as the “**Closing**.”

(b) The Bonds shall be issued in fully registered form and shall be prepared and delivered as one Bond for each maturity registered in the name of a nominee of DTC. It is anticipated that CUSIP identification numbers will be inserted on the Bonds, but neither the failure to provide such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Purchase Contract.

Section 7. Conditions to Underwriter’s Obligations. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the City contained herein and to be contained in the documents and instruments to be delivered on the date of the Closing, and upon the performance by the City of its obligations to be performed hereunder and under such documents and instruments to be delivered at or prior to the date of the Closing. The Underwriter’s obligations under this Purchase Contract are and shall also be subject to the following conditions:

(a) The representations and warranties of the City that are contained in this Purchase Contract shall be true and correct in all material respects on the date of this Purchase Contract and on and as of the date of the Closing as if made on the date of the Closing.

(b) As of the date of the Closing, the Official Statement shall not have been amended, modified or supplemented, except in any case as may have been agreed to by the Underwriter.

(c) (i) As of the date of the Closing, the City Resolution, the Formation Documents and the City Agreements shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to by the City and the Underwriter; and (ii) the City and the District shall perform or shall have performed all of their obligations that are required under or specified in the City Resolution, the Formation Documents and the City Agreements to be performed at or prior to the date of the Closing.

(d) As of the date of the Closing, all necessary official action of the City and the District relating to the City Agreements, the Formation Documents, the City Resolution and the Official Statement shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(e) Subsequent to the date of this Purchase Contract, up to and including the date of the Closing, there shall not have occurred any change in the financial affairs of the City or the District, as described in the Official Statement, which in the reasonable professional judgment of the Underwriter materially impairs the investment quality of the Bonds.

(f) As of or prior to the date of the Closing, the Underwriter shall have received each of the following documents:

(A) Certified copies of the City Resolution.

(B) Duly executed copies of the City Agreements.

(C) The Preliminary Official Statement and the Official Statement, with the Official Statement duly executed on behalf of the City.

(D) An approving opinion of Bond Counsel, dated the date of the Closing, as to the validity of the Bonds and the exclusion of interest on the Bonds from federal and State income taxation, addressed to the City, substantially in the form attached as an appendix to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriter.

(E) A supplemental opinion or opinions of Bond Counsel, dated the date of the Closing, addressed to the Underwriter, to the effect that:

(1) The Escrow Agreement, this Purchase Contract and the Continuing Disclosure Undertaking have been duly authorized, executed and delivered by the City, and, assuming such agreements constitute a valid and binding obligation of the other parties thereto, constitute the legally valid and binding agreements of the City enforceable upon the City in accordance with their terms, except as enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditor's rights or remedies and may be subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law);

(2) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(3) The statements contained in the Official Statement on the cover and under the captions "INTRODUCTION," "PLAN OF REFUNDING," "THE 2017 BONDS" (excluding therefrom the statements pertaining to DTC), "SECURITY FOR THE BONDS" and "CONCLUDING INFORMATION—Tax Matters," and in Appendices F and G, excluding any material that may be treated as included under such captions by cross-reference, insofar as such statements expressly summarize certain provisions of the Act, the Bonds, the City Agreements, the Formation Documents and the form and content of Bond Counsel's final approving opinion, are accurate in all material respects; and

(4) The Special Taxes have been duly and validly authorized in accordance with the provisions of the Act.

(F) A defeasance opinion of Bond Counsel with respect to the 2009 Bonds, dated the Closing Date and addressed to the Underwriter and the Fiscal Agent, to the effect that, upon the deposit with the Escrow Agent as provided for in the Escrow Agreement, the 2009 Bonds will no longer be considered Outstanding within the meaning of the fiscal agent agreement under which such obligations were issued, and will not have any lien on, or be payable from, the Special Tax Revenues (as such term is defined in the fiscal agent agreement pursuant to which the 2009 Bonds were issued).

(G) An opinion of Richards Watson & Gershon, A Professional Corporation, as Disclosure Counsel, dated the Closing Date and addressed to the City and the Underwriter, to the effect that, based on the information made available to it in its role as Disclosure Counsel to the Authority, without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, but on the basis of their participation in conferences with the Underwriter, Bond Counsel, the District, the City and others, and their examination of certain documents, including, without limitation, the continuing disclosure review report prepared by Lumesis, Inc., no information has come to the attention of the attorneys in the firm rendering legal services in connection with the issuance of the Bonds which would lead them to believe that the Official Statement as of its date and as of the Closing Date contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to the Appendices to the Official Statement; financial and statistical data or graphs; forecasts, projections, estimates, assumptions, and expressions of opinions; any determinations regarding valuation, appraisals, real estate, and environmental matters, or any basis therefor; information about the book-entry only system and DTC; information about the Underwriter or underwriting; and statements relating to the treatment of the Bonds or the interest, discount or premium related thereto for tax purposes under the law of any jurisdiction contained in the Official Statement).

(H) An opinion, dated the Closing Date and addressed to the Underwriter, of Richards, Watson & Gershon, A Professional Law Corporation, as counsel to the City, to the effect that (i) the City is a general law city, duly organized and existing under and by virtue of the Constitution and laws of the State; (ii) the District is a community facilities district duly organized and existing under and by virtue of the Constitution and laws of the State; (iii) the City Resolution adopted by the City Council of the City, authorizing the issuance of the Bonds and the execution and delivery of the City Agreements, was duly adopted at a meeting of such City Council, which meeting was called and held on _____, 2017, pursuant to law, with all public notice required by law and at which a quorum was present and acting throughout; (iv) the City Resolution is in full force and effect; and (v) there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, governmental agency or body, pending and notice of which has been served on and received by the City or, to the best of our knowledge, threatened against the City, challenging the creation, organization or existence of the City or the District, or the validity of the Bonds, the City Agreements or the Formation Documents or contesting the authority of the City to enter into or perform its obligations under any of such documents, or which, in any manner, questions the right of the City to issue the Bonds, or the allocation and payment of the Special Taxes to the City and the other security for the Bonds provided by the Fiscal Agent Agreement.

(I) An executed Rule 15c2-12 certificate of the City, dated the date of the Preliminary Official Statement, substantially in the form attached hereto as Exhibit B.

(J) An executed closing certificate of the City, dated the date of the Closing, substantially in the form attached hereto as Exhibit C.

(K) The opinion or opinions of counsel of the Fiscal Agent and the Escrow Agent, addressed to the City and the Underwriter, substantially to the effect that:

(1) The Fiscal Agent and Escrow Agent is a national banking association that is duly organized, validly existing and in good standing under the laws of the United States of America, having full powers and authority and being qualified to enter into, accept and administer the trust created under the Fiscal Agent Agreement and the Escrow Agreement (the “**BNY Documents**”) and to enter into the BNY Documents; and

(2) The BNY Documents have been duly authorized, executed and delivered by the Fiscal Agent and the Escrow Agent, as applicable, and, assuming due authorization, execution and delivery by the City, the BNY Documents constitute the legal, valid and binding agreements of the Fiscal Agent and the Escrow Agent, as applicable, enforceable in accordance with their respective terms, subject to laws relating in bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and the application of equitable principles if equitable remedies are sought.

(L) A certificate or certificates, dated the date of the Closing, in form and substance acceptable to the Underwriter, of an authorized officer or officers of the Fiscal Agent and the Escrow Agent to the effect that the Fiscal Agent and the Escrow Agent are duly authorized to enter into the BNY Documents, have accepted the respective duties imposed by the BNY Documents and are authorized to carry out such duties, and that the Fiscal Agent has duly authenticated the Bonds.

(M) A certificate of Seevers Jordan Ziegenmeyer, Rocklin, California (the “**Appraiser**”), in the form attached hereto as Exhibit G, along with a copy of its appraisal report in the form attached to the Final Official Statement as Appendix C.

(N) Evidence of required filings with the California Debt and Investment Advisory Commission.

(O) A copy of the executed Blanket Issuer Letter of Representations by and between the City and DTC relating to the book-entry system.

(P) An executed verification report relating to the 2009 Bonds, among other matters.

(Q) Evidence that any ratings that have been assigned to the Bonds as of the date of the Closing are as set forth in the Official Statement.

(R) A certified copy of the general resolution of the Fiscal Agent and the Escrow Agent authorizing the execution and delivery of certain documents by certain officers of the Fiscal Agent and the Escrow Agent, which resolution authorizes the execution and delivery of the BNY Documents and the authentication and delivery of the Bonds by the Fiscal Agent.

(S) An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriter, addressed to the Underwriter and in form and substance satisfactory to the Underwriter.

(T) A report of Lumesis, Inc. as to compliance by the City and related entities with their respective continuing disclosure undertakings.

(U) A Tax Certificate with respect to maintaining the tax-exempt status of the Bonds, duly executed by the City, together with Form 8038-G, duly executed by the City.

(V) Certified copies of resolutions of the City relating to formation of the District and authorization of the Special Tax levy, including but not limited to: (1) the following resolutions adopted by the City Council of the City, as the legislative body of the District: (i) Resolution No. 2008-80 on October 21, 2008; (ii) Resolution No. 2008-81 on October 21, 2008; (iii) Resolution No. 2008-90 on December 2, 2008; (iv) Resolution No. 2008-91 on December 2, 2008; (v) Resolution No. 2008-92 on December 2, 2008; and (vi) Resolution No. 2008-093 on December 2, 2008; (2) Ordinance No. 1118 adopted by the City Council of the City on December 16, 2008; and (3) a Notice of Special Tax Lien relating to the District (Document No. _____ recorded in the real property records of the County of Orange) (collectively, the “**Formation Documents**”).

(W) A certificate, dated the date of the Closing, of Willdan Financial Services, Special Tax Consultant, addressed to the City and the Underwriter to the effect that: (i) the Special Tax if collected in the maximum amounts permitted pursuant to the Rate and Method of Apportionment of Special Taxes, as amended as of the date of the Closing, would generate an amount equal to at least Administrative Expenses in the amount of \$_____ plus 110% of the Maximum Annual Debt Service payable with respect to the Bonds, based on such assumptions and qualifications as shall be acceptable to the Underwriter; and (ii) the statements in the Official Statement concerning the Rate and Method of Apportionment of Special Tax, and all information supplied by the Special Tax Consultant for use in the Official Statement, including, but not limited to, the tables that are sourced to the Special Tax Consultant, were as of the date of the Official Statement and are as of the date of the Closing true and correct, and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(X) A certificate of California BP, LLC (the “**Property Owner**”) and BOSC Realty Advisors LLC (“BOSC”) in substantially the form attached hereto as Exhibit D.

(Y) A closing certificate of the Property Owner and BOSC in substantially the form attached hereto as Exhibit E.

(Z) A negative assurance letter of counsel to the Property Owner addressed to the City and the Underwriter to the effect that: (i) except as set forth in the Official Statement, there is no litigation pending against the Property Owner (with service of process to the Property Owner having been duly given and completed) or overtly threatened against the Property Owner which would materially and adversely affect the Property Owner’s ability to pay the Special Taxes and (ii) without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement and without passing upon or assuming responsibility for the accuracy, completeness or fairness of such statements, no information has come to the attention during the course of their representation of the Property Owner which causes them to believe that the statements contained in the Official Statement under the captions entitled “INTRODUCTION – Community Facilities District,” “COMMUNITY FACILITIES DISTRICT – General,” “DISTRICT PROPERTY OWNERSHIP AND DEVELOPMENT,” “BONDOWNER’S RISKS—Natural or Manmade Disasters” and “—Hazardous Substances” solely as such information describes the Property

Owner and BOSC, the Property Owner's and BOSC's respective organizations, and the development on the Property Owner's property in the District, as of the date of the Official Statement contained, or as of the date hereof contains, any untrue statement of a material fact or as of the date of the Official Statement omitted, or as of the date hereof omits, to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need to be expressed as to any information which is attributable to a source other than the Property Owner or BOSC, contained in the Official Statement).

(AA) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the City with legal requirements, the truth and accuracy, as of the date of the Closing, of the representations of the City contained herein and of the Official Statement and the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the City.

All of the opinions, letters, certificates, instruments and other documents that are mentioned in this Purchase Contract shall be deemed to be in compliance with the provisions of this Purchase Contract if, but only if, they are in form and substance satisfactory to the Underwriter. If the City is unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds as set forth in this Purchase Contract, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the City shall be under any further obligations hereunder, except that the respective obligations of the City and the Underwriter that are set forth in Section 11 of this Purchase Contract shall continue in full force and effect.

Section 8. Conditions to City's Obligations. The performance by the City of its obligations under this Purchase Contract is conditioned upon: (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the City of opinions addressed to the City, receipt by the Underwriter of opinions addressed to the Underwriter and the delivery of certificates on the date of the Closing by persons and entities other than the City.

Section 9. Termination Events. The Underwriter shall have the right to terminate the Underwriter's obligations under this Purchase Contract to purchase, accept delivery of and pay for the Bonds by notifying the City of its election to do so if, after the execution hereof and prior to the Closing, any of the following events occurs:

(a) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially and adversely affected by any decision that is issued by a court of the United States (including the United States Tax Court) or of the State, by any ruling or regulation (final, temporary or proposed) that is issued by or on behalf of the Department of the Treasury of the United States, the Internal Revenue Service, or other governmental agency of the United States, or any governmental agency of the State, or by a tentative decision or announcement by any member of the House Ways and Means Committee, the Senate Finance Committee, or the Conference Committee with respect to contemplated legislation or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or either House of the Legislature of the State, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State by the Governor of the State in an executive communication, affecting the tax status of the City or the District, their property or income, their debt or contractual

obligations (including the Bonds) or the interest thereon or any tax exemption granted or authorized by the Internal Revenue Code of 1986, as amended;

(b) the United States becomes engaged in hostilities that result in a declaration of war or a national emergency, or any other outbreak of hostilities occurs, or a local, national or international calamity or crisis occurs, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds;

(c) there occurs a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States, New York or State authorities;

(d) a stop order, ruling, regulation or official statement by, or on behalf of, the SEC is issued or made to the effect that the issuance, offering or sale of the Bonds or obligations similar to the Bonds is or would be in violation of any provision of the Securities Act of 1933, as then in effect, the Securities Exchange Act of 1934, as then in effect, or the Trust Indenture Act of 1939, as then in effect;

(e) legislation is enacted by the House of Representatives or the Senate of the Congress of the United States of America, a decision by a court of the United States of America is rendered or a ruling or regulation by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter is made or proposed to the effect that the Bonds are not exempt from registration, qualification or other similar requirements of the Securities Act of 1933, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(f) in the reasonable judgment of the Underwriter, the market price of the Bonds, or the market price of obligations of the general character of the Bonds, might be materially and adversely affected because additional material restrictions that are not in force as of the date hereof are imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(g) the Office of the Comptroller of the Currency, The New York Stock Exchange, or other national securities exchange, or any governmental authority, imposes, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increases materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, or financial responsibility requirements of the Underwriter;

(h) a general banking moratorium is established by federal, New York or State authorities;

(i) any legislation, ordinance, rule or regulation is introduced in or enacted by any governmental body, department or agency in the State or a decision of a court of competent jurisdiction within the State is rendered, which, in the reasonable opinion of the Underwriter, after consultation with the City, materially adversely affects the market price of the Bonds;

(j) any federal or State court, authority or regulatory body takes action materially and adversely affecting the collection of revenues that are pledged under the Fiscal Agent Agreement;

(k) any rating of the Bonds is downgraded, suspended, withdrawn or placed on credit watch or similar status by a national rating service, which, in the reasonable opinion of the Underwriter, materially adversely affects the marketability or market price of the Bonds;

(l) an event occurs which in the reasonable opinion of the Underwriter requires a supplement or amendment to the Official Statement and: (i) the City refuses to prepare and furnish such supplement or amendment; or (ii) in the reasonable judgment of the Underwriter, the occurrence of such event materially and adversely affects the marketability of the Bonds or renders the enforcement of the sale contracts of the Bonds impracticable;

(m) an order, decree or injunction that is issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication that is issued or made by or on behalf of the SEC, or any other governmental authority having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Fiscal Agent Agreement is not exempt from qualification under the Trust Indenture Act of 1939, as amended; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(n) additional material restrictions that are not in force as of the date hereof shall have been imposed upon trading in securities generally by any domestic governmental authority or by any domestic national securities exchange, which are material to the marketability of the Bonds; or

(o) the commencement of any action, suit or proceeding described in Section 5(e).

Section 10. Changes in Official Statement. After the Closing, the City will not adopt any amendment of or supplement to the Official Statement to which the Underwriter shall reasonably object in writing. Within 90 days after the Closing or within 25 days following the “end of the underwriting period” (as such term is defined below), whichever occurs first, if any event relating to or affecting the Bonds, the Fiscal Agent, the District or the City occurs as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time that it is delivered to a purchaser, the City will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time that the Official Statement is delivered to a purchaser, not misleading. The City will cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB.

As used herein, the term “**end of the underwriting period**” means the later of such time as: (i) the City delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Underwriter gives notice to the contrary, the “end of the underwriting period” will be the date of the Closing. Any notice that is delivered pursuant to this provision will be written notice delivered to the City at or prior to the date of the Closing and will specify a date (other than the date of the Closing) to be deemed the “end of the underwriting period.”

Section 11. Payment of Expenses.

(a) The Underwriter shall be under no obligation to pay, and the City shall pay the following expenses incident to the performance of the City's obligations hereunder:

(i) the fees and disbursements of Bond Counsel, Disclosure Counsel, Municipal Advisor, Trustee and Appraiser;

(ii) the cost of printing and delivering the Bonds, the Preliminary Official Statement and the Official Statement (and any amendment or supplement that is prepared pursuant to Section 10 of this Purchase Contract);

(iii) the fees and disbursements of accountants, advisors and any other experts or consultants retained by the City, including the City Attorney; and

(iv) any other expenses and costs of the City that are incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds, including out-of-pocket expenses and regulatory expenses, reimbursement to the Underwriter for any meals and travel for City employees or officers that were paid for by the Underwriter and any other expenses agreed to by the parties.

(b) The Underwriter shall pay all expenses incurred by it in connection with the public offering and distribution of the Bonds including, but not limited to:

(i) all advertising expenses in connection with the offering of the Bonds; and

(ii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds (including, without limitation, the fees and expenses of its counsel and MSRB, CUSIP Bureau, California Debt and Investment Advisory Commission and California Public Securities Association fees, if any), except as provided in clause (a) above or as otherwise agreed to by the Underwriter and the City.

Section 12. Notices. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to the City at the address that is set forth on the first page of this Purchase Contract, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to:

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 35th Floor
San Francisco, California 94104
Attention: Jim Cervantes

Section 13. Survival of Representations, Warranties, Agreements. All of the City's representations, warranties and agreements that are contained in this Purchase Contract shall remain operative and in full force and effect regardless of: (a) any investigations made by or on behalf of the Underwriter; or (b) delivery of and payment for the Bonds pursuant to this Purchase Contract. The agreements contained in this Section and in Section 11 shall survive the termination of this Purchase Contract.

Section 14. Benefit; No Assignment. This Purchase Contract is made solely for the benefit of the City and the Underwriter (including their successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. The rights and obligations created by this Purchase Contract are not subject to assignment by the Underwriter or the City without the prior written consent of the other parties hereto.

Section 15. Severability. In the event that any provision of this Purchase Contract is held to be invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Purchase Contract.

Section 16. Counterparts. This Purchase Contract may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute the Purchase Contract by signing any such counterpart.

Section 17. Governing Law. This Purchase Contract shall be governed by the laws of the State.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Section 18. Effectiveness. This Purchase Contract shall become effective upon the execution of the acceptance hereof by an authorized officer of the City, and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Title: Authorized Officer

Accepted:

CITY OF BREA

By: _____
Title: Authorized Officer

Time of Execution: _____ California Time

EXHIBIT A

\$ _____

**CITY OF BREA
COMMUNITY FACILITIES DISTRICT NO. 2008-2
(BREA PLAZA AREA PUBLIC IMPROVEMENTS)
2017 SPECIAL TAX REFUNDING BONDS**

MATURITY SCHEDULE

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Initial Offering Price</i>	<i>10% Test Used</i>	<i>Hold the Offering Price Rule Used</i>
---	------------------------------------	-----------------------------	--	-----------------------------	---

* Term Bond.

(c) Priced to optional redemption date of September 1, 20__ at par.

EXHIBIT B

\$ _____

**CITY OF BREA
COMMUNITY FACILITIES DISTRICT NO. 2008-2
(BREA PLAZA AREA PUBLIC IMPROVEMENTS)
2017 SPECIAL TAX REFUNDING BONDS**

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents that the undersigned is the duly appointed and acting representative of the City of Brea (the “**City**”), and as such is duly authorized to execute and deliver this Certificate on behalf of the City, and further hereby certifies and reconfirms on behalf of the City as follows:

(1) This Certificate is delivered in connection with the offering and sale of the above captioned bonds (the “**Bonds**”) in order to enable the underwriter of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “**Rule**”).

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, setting forth information concerning the Bonds and the City (the “**Preliminary Official Statement**”).

(3) As used herein, “**Permitted Omissions**” means the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of the Rule, and the information therein is accurate and complete except for the Permitted Omissions.

Dated: _____, 2017

CITY OF BREA

By: _____
Authorized Officer

* Preliminary, subject to change.

EXHIBIT C

\$ _____

**CITY OF BREA
COMMUNITY FACILITIES DISTRICT NO. 2008-2
(BREA PLAZA AREA PUBLIC IMPROVEMENTS)
2017 SPECIAL TAX REFUNDING BONDS**

CLOSING CERTIFICATE OF THE CITY

The undersigned hereby certifies and represents that the undersigned is the duly appointed and acting representative of the City of Brea (the “**City**”), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the City as follows:

(i) The representations, warranties and covenants of the City that are contained in the Bond Purchase Contract, dated _____, 2017 (the “**Purchase Contract**”), by and between the City and Stifel, Nicolaus & Company, Incorporated, as underwriter, are true and correct and in all material respects on and as of the date of the Closing, with the same effect as if made on the date of the Closing.

(ii) The City Resolution is in full force and effect at the date of the Closing and has not been amended, modified or supplemented, except as agreed to by the City and the Underwriter.

(iii) The City has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied on or prior to the date of the Closing.

Capitalized terms used but not defined herein have the meanings given to such terms in the Purchase Contract.

Dated: _____, 2017

CITY OF BREA

By: _____
City Manager

EXHIBIT D

\$ _____

CITY OF BREA

COMMUNITY FACILITIES DISTRICT NO. 2008-2 (BREA PLAZA AREA PUBLIC IMPROVEMENTS) 2017 SPECIAL TAX REFUNDING BONDS

California BP, LLC, a Delaware limited liability company (the “**Property Owner**”), and BOSC Realty Advisors LLC, a Delaware limited liability company (“**BOSC**”), in connection with the issuance, sale and delivery by the City of Brea, for and on behalf of the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) (the “**District**”) of the bonds that are captioned above (the “**Bonds**”), hereby certifies as follows as of the date hereof:

(1) The undersigned is duly authorized to execute this Certificate on behalf of the Property Owner and BOSC.

(2) This Certificate is delivered in connection with the offering and sale of the Bonds.

(3) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement (the “**Preliminary Official Statement**”), setting forth certain information concerning, among other things, the Bonds, the Property Owner, BOSC, the Property Owner’s organization, activities, properties and financial condition.

(4) The information in the Preliminary Official Statement under the captions “INTRODUCTION – Community Facilities District,” “COMMUNITY FACILITIES DISTRICT – General,” “DISTRICT PROPERTY OWNERSHIP AND DEVELOPMENT,” “BONDOWNER’S RISKS—Natural or Manmade Disasters” and “—Hazardous Substances” and “CONCLUDING INFORMATION—Continuing Disclosure—*Property Owner Continuing Disclosure Obligations*,” contains no untrue statement of a material fact and does not omit any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(5) To the actual knowledge of the Property Owner and BOSC, none of the Property Owner, BOSC or its Relevant Entities has defaulted to any material extent in the payment of special taxes or assessments in connection with the District or any other community facilities districts or assessment districts in California within the past five years.

(6) To the actual knowledge of the Property Owner and BOSC, none of the Property Owner, BOSC or its Relevant Entities is currently in default on any loans, lines of credit or other obligation, the result of which could materially adversely affect the payment of Special Taxes on the property owned by the Property Owner in the District.

(7) The Property Owner is solvent and no proceedings are pending or threatened in which it may be adjudicated as bankrupt or become the debtor in a bankruptcy proceeding, or discharged from all of its debts or obligations, or granted an extension of time to pay its debts or a reorganization or readjustment of its debts.

(8) There is no litigation or administrative proceeding of any nature in which the Property Owner has been served, or is pending or threatened that, if successful, would materially adversely affect the Property Owner's ability to pay the Special Taxes or ordinary ad valorem property tax obligations when due on its property within the District, or that challenges or questions the validity or enforceability of the Bonds, the Fiscal Agent Agreement or the Bond Purchase Contract relating to the Bonds.

As used in this certificate, the phrase "actual knowledge of the Property Owner" shall mean the knowledge that the individual signing the certificate currently has or has obtained from an interview with such officers and responsible employees of the Property Owner as the individual signing the certificate has determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth herein. Other than as set forth in the immediately preceding sentence, with your permission, the individual signing this certificate has not conducted any additional inspection or inquiry.

As used in this certificate, "Relevant Entity" means, with respect to the Property Owner or BOSC, any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Property Owner or BOSC, and (ii) for whom information, including financial information or operating data, concerning such Person is material to an evaluation of the District and the Bonds (i.e., information relevant to (a) the Property Owner's development plans with respect to the property within the District and its payment of the Special Taxes, or (b) such Person's assets or funds that would materially affect the Property Owner's ability to develop its property within the District as described in the Preliminary Official Statement or to pay its Special Taxes).

As used in this certificate, "Control" (including the terms "controlling," "controlled by" or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

Dated: _____, 2017

CALIFORNIA BP, LLC
A Delaware limited liability company

By: BPI Brea LLC,
A Delaware limited liability company,
its Managing Member

By: _____
Manager

BOSC REALTY ADVISORS LLC,
a Delaware limited liability company

By: _____

EXHIBIT E

\$ _____

**CITY OF BREA
COMMUNITY FACILITIES DISTRICT NO. 2008-2
(BREA PLAZA AREA PUBLIC IMPROVEMENTS)
2017 SPECIAL TAX REFUNDING BONDS**

California BP, LLC, a Delaware limited liability company (the “**Property Owner**”), and BOSC Realty Advisors LLC, a Delaware limited liability company (“**BOSC**”), in connection with the issuance, sale and delivery by the City of Brea, for and on behalf of the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) (the “**District**”) of the bonds that are captioned above (the “**Bonds**”), hereby certifies as follows as of the date hereof:

(1) The undersigned is duly authorized to execute this Certificate on behalf of the Property Owner and BOSC.

(2) The Property Owner and BOSC has full power and authority to own its property located within the District and to carry on its business as presently conducted and as described in the final Official Statement for the Bonds (the “**Official Statement**”).

(3) Except as disclosed in the Official Statement, to the actual knowledge of the Property Owner and BOSC, no event has occurred since the date of the Preliminary Official Statement for the Bonds that has materially and adversely affected or is reasonably expected to materially and adversely affect the business, properties, operations or financial condition of the Property Owner or BOSC.

(4) Except as disclosed in the Official Statement, the Property Owner or BOSC has not submitted an application for, nor received actual notice of: (i) the formation or authorization of any assessment district or community facilities district that would include any portion of the Property Owner’s land within the District; or (ii) the authorization or issuance of any debt to be secured by a special tax to be levied on any portion of the Property Owner’s land within the District, other than the Special Tax.

(5) The representations and warranties made by the Property Owner and BOSC in the 10b-5 Certificate of Property Owner dated _____, 2017 relating to the Bonds are true and correct in all material respects on the date hereof, with the same effect as if made on the date hereof.

As used in this certificate, the phrase “actual knowledge of the Property Owner or BOSC” shall mean the knowledge that the individual signing the certificate currently has or has obtained from an interview with such officers and responsible employees of the Property Owner and BOSC as the individual signing the certificate has determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth herein. Other than as set forth in the immediately preceding sentence, with your permission, the individual signing this certificate has not conducted any additional inspection or inquiry.

Dated: _____, 2017

CALIFORNIA BP, LLC
A Delaware limited liability company

By: BPI Brea LLC,
A Delaware limited liability company,
its Managing Member

By: _____
Manager

BOSC REALTY ADVISORS LLC,
a Delaware limited liability company

By: _____

EXHIBIT F

\$ _____

**CITY OF BREA
COMMUNITY FACILITIES DISTRICT NO. 2008-2
(BREA PLAZA AREA PUBLIC IMPROVEMENTS)
2017 SPECIAL TAX REFUNDING BONDS**

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“Stifel”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***[Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Contract, dated _____, 2017, by and between Stifel and the City of Brea, for and on behalf of the City of Brea Community Facilities District No. 2008-02 (Brea Plaza Area Public Improvements), Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***[Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) ***Holding Period*** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after

the Sale Date (_____, 2017), or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements).

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) [Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2017.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By:_____

Name:_____

Dated: _____, 2017

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES [AND INITIAL OFFERING
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES]**

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

EXHIBIT G

\$ _____

CITY OF BREA

**COMMUNITY FACILITIES DISTRICT NO. 2008-2
(BREA PLAZA AREA PUBLIC IMPROVEMENTS)
2017 SPECIAL TAX REFUNDING BONDS**

CERTIFICATE OF APPRAISER

The undersigned, on behalf of Seevers Jordan Ziegenmeyer (the "Appraiser"), has prepared an "Appraisal Report" dated _____, 2017 (the "Appraisal Report") regarding the value of parcels of real property and related improvements within the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) (the "Appraised Property") that are subject to the levy of special taxes in the Appraised Property, and certifies that:

1. The assumptions made in the Appraisal Report are reasonable. The Appraisal Report fairly and accurately described, as of the stated date of value, the market values of the Appraised Property.
2. The Appraiser is not aware of any event or act that occurred since the date of the Appraisal Report which, in its opinion, would materially and adversely affect the conclusions as to the market value of the Appraised Property.
3. The Appraiser consents to the reproduction of the Appraisal Report as Appendix C to the Preliminary Official Statement dated _____, 2017 (the "Preliminary Official Statement"), and the Official Statement dated _____, 2017 (the "Official Statement"), each with respect to the above-referenced bonds, and to the references to the Appraiser and the Appraisal Report made in the Preliminary Official Statement and the Official Statement.
4. The Appraiser has reviewed the Preliminary Official Statement and the Official Statement, and the statements concerning the Appraisal Report and the value of the Appraised Property contained in the Preliminary Official Statement and the Official Statement are true, correct and complete in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.
5. A true and correct copy of the Appraisal Report is attached as Appendix C to the Preliminary Official Statement and as Appendix C to the Official Statement.

6. The Appraisal Report complies with the Appraisal Standards for Land-Secured Financings issued by the California Debt and Investment Advisory Commission and dated July 2004.

Dated: _____, 2017

SeEVERS Jordan Ziegenmeyer

By: _____
Its: _____

NEW ISSUE – Book Entry Only

NOT RATED

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject however, to certain qualifications described in this Official Statement, under existing law, interest on the 2017 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In the further opinion of Bond Counsel, interest on the 2017 Bonds is exempt from personal income taxation imposed by the State of California. See “CONCLUDING INFORMATION – Tax Matters.”

\$8,110,000***CITY OF BREA****COMMUNITY FACILITIES DISTRICT NO. 2008-2****(BREA PLAZA AREA PUBLIC IMPROVEMENTS)****2017 SPECIAL TAX REFUNDING BONDS****Dated: Date of Issuance****Due: September 1, as shown on inside cover**

The City of Brea, California (the “City”) will issue the above-captioned bonds (the “2017 Bonds”), for and on behalf of the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) (the “District”), pursuant to a Fiscal Agent Agreement, dated as of November 1, 2017 (the “Fiscal Agent Agreement”), by and between the City, for and on behalf of the District, and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Fiscal Agent”). Proceeds of the 2017 Bonds will be used to: (i) refund all of the outstanding City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2009 Special Tax Bonds (the “2009 Bonds”), (ii) make a deposit into a debt service reserve fund, and (iii) pay costs of issuance. The 2017 Bonds will be payable from, and secured by, a pledge of Special Tax Revenues to the extent provided in the Fiscal Agent Agreement and amounts in certain funds established under the Fiscal Agent Agreement. “Special Tax Revenues” consist of special taxes levied by the City for the District on taxable properties in the District according to the rate and method of apportionment of special tax approved by qualified electors of the District in 2008.

The 2017 Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the 2017 Bonds. Individual purchases of the 2017 Bonds may be made in book-entry form only, in denominations of integral multiples of \$5,000 principal amount. Purchasers will not receive certificates representing their interest in the 2017 Bonds purchased. Principal of and interest on the 2017 Bonds will be paid directly to DTC by the Fiscal Agent. Principal of the 2017 Bonds will be payable on the dates set forth on the inside cover of this Official Statement. Interest on the 2017 Bonds is payable on March 1 and September 1 of each year, commencing March 1, 2018. Upon its receipt of payments of principal and interest, DTC is in turn obligated to remit such principal and interest to DTC participants for subsequent disbursement to the beneficial owners of the 2017 Bonds.

The 2017 Bonds will be subject to optional redemption, mandatory sinking payment redemption and redemption from Special Tax Prepayments prior to their maturity as described in this Official Statement.

NEITHER THE FAITH AND CREDIT NOR ANY TAXING POWER OF THE CITY, OR THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT), WILL BE PLEDGED TO THE PAYMENT OF THE 2017 BONDS. EXCEPT FOR THE SPECIAL TAX REVENUES, NO OTHER TAXES WILL BE PLEDGED TO THE PAYMENT OF THE 2017 BONDS. THE 2017 BONDS, WHEN ISSUED, WILL BE LIMITED OBLIGATIONS OF THE CITY FOR THE DISTRICT, PAYABLE SOLELY FROM THE SPECIAL TAX REVENUES AND AMOUNTS IN CERTAIN FUNDS ESTABLISHED UNDER THE FISCAL AGENT AGREEMENT, AS MORE FULLY DESCRIBED IN THIS OFFICIAL STATEMENT.

See the section of this Official Statement entitled “BONDOWNERS’ RISKS” for a discussion of certain of the risk factors that should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the 2017 Bonds. This cover page contains information for general reference only. It is not a summary of this issue. Potential purchasers of the 2017 Bonds must read this entire Official Statement to obtain information essential to making an informed investment decision with respect to an investment in the 2017 Bonds.

The 2017 Bonds are offered when, as and if issued, subject to the approval as to their legality by Quint & Thimmig LLP, Larkspur, California, Bond Counsel, and certain other conditions. Richards, Watson & Gershon has served as Disclosure Counsel to the City in connection with this offering. Certain legal matters related to the 2017 Bonds will be opined upon on behalf of the City and the District by Richards, Watson & Gershon, acting as the City Attorney. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, has served as counsel to the Underwriter for this bond issue. It is anticipated that the 2017 Bonds will be available for delivery in book-entry form through the facilities of DTC on or about _____, 2017.

STIFEL

The date of this Official Statement is _____, 2017.

* Preliminary; subject to change.

\$8,110,000*
CITY OF BREA
COMMUNITY FACILITIES DISTRICT NO. 2008-2
(BREA PLAZA AREA PUBLIC IMPROVEMENTS)
2017 SPECIAL TAX REFUNDING BONDS

MATURITY SCHEDULE

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP[†] (Base:)
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\$_____ % Term Bonds due September 1, 2039; Yield: ____%, Price _____%; CUSIP[†] _____

* Preliminary; subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data in this Official Statement is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP © 2017 CUSIP Global Services. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers are provided for convenience of reference only. Neither the Successor Agency nor the Underwriter take any responsibility for the accuracy of such numbers.

**CITY OF BREA
COMMUNITY FACILITIES DISTRICT NO. 2008-2
(BREA PLAZA AREA PUBLIC IMPROVEMENTS)**

City Council

Cecilia Hupp, *Mayor*
Glenn Parker, *Mayor Pro Tem*
Christine Marick, *Council Member*
Marty Simonoff, *Council Member*
Steven Vargas, *Council Member*

City Staff

William Gallardo, *City Manager*
Richard J. Rios, *City Treasurer*
Lillian Harris-Neal, *City Clerk*
Cynthia Russell, *Administrative Services Director*
David Crabtree, *Community Development Director*
Lee Squire, *Financial Services Manager*
Faith Madrazo, *Revenue and Budget Manager*
James Markman (Richards, Watson & Gershon), *City Attorney*

PROFESSIONAL SERVICES

Municipal Advisor

Fieldman Rolapp & Associates, Inc.
Irvine, California

Bond Counsel

Quint & Thimmig LLP
Larkspur, California

Disclosure Counsel

Richards, Watson & Gershon,
A Professional Corporation
Los Angeles, California

Special Tax Consultant

Willdan Financial Services
Temecula, California

**Fiscal Agent/Escrow Bank/
Dissemination Agent**

The Bank of New York Mellon Trust Company,
N.A.
Los Angeles, California

Appraiser

Seevers Jordan Ziegenmeyer
Real Estate Appraisal and Consultation
Rocklin, California

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the offer and sale of the 2017 Bonds and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the 2017 Bonds.

Estimates and Forecasts. Certain statements included or incorporated by reference in this Official Statement and in any continuing disclosure by the City, any press release and in any oral statement made with the approval of an authorized officer of the City or any other entity described or referenced in this Official Statement, constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “anticipate,” “estimate,” “budget,” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. While the City has undertaken to provide certain on-going financial and other data pursuant to a Continuing Disclosure Certificate (see “CONCLUDING INFORMATION – Continuing Disclosure” and Appendix D), the City does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations or events, conditions or circumstances on which such statements are based change.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness. Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations in connection with the offer or sale of the 2017 Bonds other than those contained in this Official Statement and if given or made, such other information or representation must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2017 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information as of Date of Official Statement. The information and expressions of opinions in this Official Statement are subject to change without notice and neither delivery of this Official Statement nor any sale made of the 2017 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the District, the City or any other entity described or referenced in this Official Statement since the date of this Official Statement shown on the front cover. All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

Stabilization of Prices. In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market price of the 2017 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the 2017 Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside front cover and said public offering prices may be changed from time to time by the Underwriter.

No Incorporation of Websites. References to internet websites in this Official Statement are shown for reference and convenience only, and none of their content (including, but not limited to, the content of the City’s website) is incorporated by reference. The City makes no representation regarding the accuracy or completeness of information presented on such websites.

THE 2017 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE 2017 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAW OF ANY STATE.

[insert location map & CFD map]

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\$8,110,000*
CITY OF BREA
COMMUNITY FACILITIES DISTRICT NO. 2008-2
(BREA PLAZA AREA PUBLIC IMPROVEMENTS)
2017 SPECIAL TAX REFUNDING BONDS

INTRODUCTION

This introduction is not a summary of this Official Statement and is only a brief description of, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described in this Official Statement. Potential purchasers of the 2017 Bonds should make a full review of the entire Official Statement. Capitalized terms used but not defined herein have the meanings set forth in the Fiscal Agent Agreement, or if not in the Fiscal Agent Agreement, the Rate and Method (each as defined below). See “APPENDIX B – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX” and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT.”

General

This Official Statement, including the cover page, the inside front cover and appendices to this Official Statement, is provided to furnish information in connection with the sale by the City of Brea, California (the “City”), for and on behalf of the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) (the “District”), of the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2017 Special Tax Refunding Bonds (the “2017 Bonds”), in the aggregate principal amount of \$8,110,000.*

The District was established pursuant to Resolution No. 2008-90 adopted by the City Council of the City (the “City Council”) on December 2, 2008, following a public hearing held pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, as set forth in California Government Code Section 53311 *et seq.* (the “Mello-Roos Act”). In accordance with the Mello-Roos Act, the City Council acts as the legislative body of the District. At a December 2, 2008 landowner election, the then-sole qualified elector of the District authorized the District to incur bonded indebtedness in an aggregate principal amount of up to \$15 million, and approved the levy of special taxes (“Special Tax”) pursuant to a rate and method of apportionment of special tax (the “Rate and Method”). The City, for and on behalf of the District, has issued only one series of bonds to finance public capital improvements authorized to be funded by the District: the City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2009 Special Tax Bonds (the “2009 Bonds”) issued in December 2009, in the initial aggregate principal amount of \$8,145,000.

The 2017 Bonds will be issued to: (i) refund all of the outstanding 2009 Bonds, in the remaining principal amount of \$7,740,000, (ii) make a deposit into the Reserve Fund established under the Fiscal Agent Agreement (defined below), and (iii) pay costs of issuance relating to the 2017 Bonds. The 2017 Bonds will be issued pursuant to: (a) the Mello-Roos Act, (b) the provisions set forth in California Government Code Section 53580 *et seq.* regarding refunding bonds, (c) Resolution No. _____, adopted on October 17, 2017, by the City Council, acting as the legislative body of the District, and (d) a Fiscal Agent Agreement, dated as of November 1, 2017 (the “Fiscal Agent Agreement”), by and between the City for and on behalf of the District, and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Fiscal Agent”).

* Preliminary; subject to change.

The 2017 Bonds will be payable solely from and secured by a pledge of Special Tax Revenues and moneys in certain funds held under the Fiscal Agent Agreement, as described more fully in this Official Statement. Special Tax Revenues consist primarily of the Special Tax levied on the taxable property in the District and collected by the City on behalf of the District. The Fiscal Agent Agreement will provide that the City may, in the future, issue additional bonds (the “Parity Bonds,” and together with the 2017 Bonds, the “Bonds”) secured on a parity with the 2017 Bonds but solely for the purpose of refunding all or a portion of the then Outstanding Bonds. See “SECURITY FOR 2017 BONDS – Issuance of Parity Bonds for Refunding Purposes Only.”

Interest on the 2017 Bonds is payable on March 1 and September 1 of each year, commencing March 1, 2018. The 2017 Bonds will mature in the amounts and on the dates and bear interest at rates shown on the inside cover of this Official Statement. The 2017 Bonds will be subject to optional redemption, mandatory sinking payment redemption and redemption from Special Tax Prepayments prior to maturity. See “2017 BONDS – Redemption.”

The 2017 Bonds, when issued and delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as the depository for the 2017 Bonds and all payments due on the 2017 Bonds will be made to Cede & Co. Ownership interests in the 2017 Bonds may be purchased only in book-entry form. *So long as the 2017 Bonds are registered in the name of Cede & Co., or any other nominee of DTC, references in this Official Statement to the registered owners, or just “Owners,” of the 2017 Bonds shall mean Cede & Co. or such other nominee of DTC, and shall not mean the beneficial owners of the 2017 Bonds.* See “2017 BONDS – Book-Entry Only System” and “APPENDIX G – DTC’S BOOK-ENTRY ONLY SYSTEM.”

City of Brea

The City encompasses approximately 11.2 square miles and is located at the northern end of Orange County, California (the “County”), just south of the Los Angeles County line. The City’s population was 44,214 as of January 1, 2017, according to State of California Department of Finance estimates. The City Council is composed of five members elected at large every two years to four-year alternating terms. The City Council appoints the City Manager, who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. For further general information regarding the City, see “APPENDIX A – CITY OF BREA GENERAL INFORMATION.”

Community Facilities District

The taxable property in the District (the “Property”) consist of a 12.83-acre portion of a 13.16 acre shopping center, known as “The Brea Plaza Shopping Center” (the “Brea Plaza”). The Brea Plaza is located just east of Highway 57 and north of Imperial Highway, a mile east of City’s Downtown. All of the Property is owned by California BP LLC (the “Property Owner”). See “DISTRICT PROPERTY OWNERSHIP AND DEVELOPMENT.”

Currently, the Property is assigned to a single County assessor parcel number. The fiscal year 2017-18 Special Tax levy is \$684,547. Since the District’s formation, there has never been a delinquency with respect to the payment of Special Tax levied in the District.

An appraisal of the Property in the District dated September 29, 2017 (the “Appraisal”), was prepared by Seevers Jordan Ziegenmeyer, Real Estate Appraisal and Consultation, Rocklin, California (the “Appraiser”), in connection with the issuance of the 2017 Bonds. Subject to the assumptions contained in the Appraisal, the Appraiser estimated that the as-is market value of the Property is

approximately \$76 million as of August 23, 2017. See “COMMUNITY FACILITIES DISTRICT – Property Value – Appraised Value.”

Security for 2017 Bonds

Neither the faith and credit nor any taxing power of the City, or the State of California or any political subdivision thereof (other than the District), will be pledged to the payment of the 2017 Bonds. Except for the Special Tax Revenues, no other taxes will be pledged to the payment of the 2017 Bonds. The 2017 Bonds, when issued, will be limited obligations of the City for the District, payable solely from the Special Tax Revenues and amounts in certain funds established under the Fiscal Agent Agreement, as provided in the Fiscal Agent Agreement.

The 2017 Bonds will be payable solely from, and secured by a pledge of, Special Tax Revenues and moneys deposited in the Bond Fund, the Reserve Fund and the Special Tax Fund (until the moneys in the Special Tax Fund are disbursed in accordance to the Fiscal Agent Agreement), as each such fund will be maintained pursuant to the Fiscal Agent Agreement. A portion of the proceeds from the 2017 Bonds, in the amount of \$_____ (equal to the Reserve Requirement upon issuance of the 2017 Bonds), will be deposited in the Reserve Fund upon issuance.

Special Tax Revenues means the proceeds of the Special Taxes received by the City, including any scheduled payments and any prepayments, interest and penalties, and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien, but shall not include interest and penalties collected in connection with delinquent Special Taxes in excess of the rate of interest payable on the Bonds. Pursuant to the Fiscal Agent Agreement, the City will establish and hold a Special Tax Fund. Special Taxes received by the City will be deposited in the Special Tax Fund, except that: (i) amounts representing Special Tax Prepayments will be deposited into the Special Tax Prepayment Account and (ii) amounts representing collection of delinquencies in payment of Special Taxes will be deposited into the Bond Fund, the Reserve Fund or retained in the Special Tax Fund, as prescribed by the Fiscal Agent Agreement. At the times required by the Fiscal Agent Agreement, the City will make transfers from the Special Tax Fund to the Fiscal Agent for deposit into the Bond Fund for payment of principal of and interest on the Bonds. See “SECURITY FOR 2017 BONDS – Application of Special Tax Revenues,” and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT.”

The Fiscal Agent Agreement will require the City to annually levy a sufficient amount of Special Taxes for the payment of principal of and interest on outstanding Bonds becoming due and payable during each ensuing calendar year, including any necessary replenishment of the Reserve Fund to the amount of the then Reserve Requirement and an amount estimated to be sufficient to pay the Administrative Expenses (*i.e.*, cost related to the administration of the District and the Bonds, see “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT – Definitions”) during such calendar year, subject to the Rate and Method. *The amount of the Special Taxes which the City may levy each fiscal year is subject to the maximum rates of Special Tax set forth in the Rate and Method and the provisions of the Mello-Roos Act.* See “SECURITY FOR 2017 BONDS – Collection of Special Tax” and “– Rate and Method” and “APPENDIX B – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

Continuing Disclosure

In connection with the sale of the 2017 Bonds, the City will execute a Continuing Disclosure Certificate, in which the City will agree to prepare and file an annual report of certain financial information and operating data relating to the 2017 Bonds and the District and certain other information

and notification of certain significant events to the Municipal Securities Rulemaking Board, via its Electronic Municipal Market Access system (“EMMA”). See “CONCLUDING INFORMATION – Continuing Disclosure,” “APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Professionals Involved in the Offering

The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, will act as Fiscal Agent with respect to the 2017 Bonds, the Escrow Bank under the Escrow Agreement relating to the refunding of the 2009 Bonds and the initial dissemination agent under the Continuing Disclosure Certificate. The City has retained Willdan Financial Services, Temecula, California, to act as the Special Tax Consultant, in connection with the preparation of this Official Statement. Fieldman Rolapp & Associates, Inc., Irvine, California, has acted as Municipal Advisor to the City with respect to the issuance of the 2017 Bonds. The legality of the 2017 Bonds and certain other legal matters are subject to the approving opinion of Quint & Thimmig LLP, Larkspur, California, acting as Bond Counsel. Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, has served as Disclosure Counsel to the City in this offering. Certain other legal matters related to the 2017 Bonds will be opined upon on behalf of the City and the District by Richards, Watson & Gershon, in its capacity as the City Attorney. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, has served as counsel to Stifel, Nicolaus & Company, Incorporated, the Underwriter, in connection with the 2017 Bonds.

Other Information

There follows in this Official Statement descriptions of the District, the Mello-Roos Act, the 2017 Bonds, the Fiscal Agent Agreement, the Rate and Method, and various other agreements and documents. The descriptions and summaries of various legislation and documents in this Official Statement do not purport to be comprehensive or definitive. Reference is made to each such legislation and document for the complete details of all of the terms and provisions of such legislation and documents. All statements in this Official Statement with respect to any legislation or documents are qualified in their entirety by reference to such legislation or documents and, with respect to certain rights and remedies, to laws and principles of equity relating to or affecting creditors’ rights generally. Unless the context clearly requires otherwise, capitalized terms used but not defined in this Official Statement have the meanings set forth in the Fiscal Agent Agreement, or if not in the Fiscal Agent Agreement, in the Rate and Method. See “APPENDIX B – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX” and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT – Definitions.”

This Official Statement speaks only as of its date as set forth on its cover, and the information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made with respect to the 2017 Bonds shall under any circumstances create any implication that there has been no change in the affairs of the District or the City since the date of this Official Statement.

Unless otherwise expressly noted, references to Internet websites in this Official Statement are shown for reference and convenience only, and none of their content (including any content on the City’s website) is incorporated in this Official Statement by reference. The City makes no representation to potential investors of the 2017 Bonds regarding the accuracy or completeness of the information presented on such websites.

PLAN OF REFUNDING

Refunding of 2009 Bonds

The 2017 Bonds will be issued to refund all of the remaining outstanding 2009 Bonds. To effect the refunding, the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “Escrow Bank”) will enter into an Escrow Agreement, dated as of November 1, 2017 (the “Escrow Agreement”). Pursuant to the Escrow Agreement and the Fiscal Agent Agreement, the City will cause to be delivered to the Escrow Bank, for deposit into an escrow fund (the “Refunding Fund”), a portion of the proceeds of the 2017 Bonds, together with moneys to be released from funds previously established for the 2009 Bonds. See “Sources and Uses of Funds” below. Moneys in the Refunding Fund will be held solely for the benefit of the owners of the refunded 2009 Bonds and will not serve as security nor be available for payment of the 2017 Bonds.

A portion of the moneys deposited in the Refunding Fund will be invested in escrow securities (comprising of non-callable direct obligations of the United States of America, or other non-callable obligations the payment of principal and interest of which are unconditionally and fully guaranteed by the United States of America), with the remaining to be held uninvested in cash. The escrow securities will bear interest rates such that, upon their maturity, the principal and interest paid on the escrow securities, together with the uninvested cash in the Refunding Fund, will provide the Escrow Agent sufficient funds to pay: (i) the scheduled payments of principal and interest with respect to the 2009 Bonds to and including September 1, 2019 (the “2009 Bonds Redemption Date”), and (ii) on the 2009 Bonds Redemption Date, the redemption price of the 2009 Bonds to be redeemed. As a result of such deposits and application of funds pursuant to the Escrow Agreement, the 2009 Bonds will be deemed to be paid and defeased as of the date of issuance of the 2017 Bonds, and will no longer be secured by a pledge of the special tax revenues under the fiscal agent agreement pursuant to which the 2009 Bonds were issued.

Causey Demgen & Moore P.C., Denver, Colorado, certified public accountants (the “Verification Agent”), will verify the mathematical accuracy of certain computations included in the schedules provided by the Underwriter on behalf of the Successor Agency relating to the computation of forecasted receipts of principal and interest earnings (if any) on the moneys and escrow securities deposited in the Refunding Fund and the forecasted payments of principal and interest in connection with the defeasance of the refunded 2009 Bonds. The report of the Verification Agent will include the statement that the scope of its engagement was limited to verifying the mathematical accuracy of computations contained in the schedules provided to the Verification Agent and the Verification Agent has no obligation to update its report because of events occurring, or data or information coming to the Verification Agent’s attention, subsequent to the date of its report.

Sources and Uses of Funds

The following is a summary of the anticipated sources and uses of funds relating to the 2017 Bonds:

Sources:

Principal amount of the 2017 Bonds	\$_____*
[Plus/Less]: Net original issue [premium/discount]	
Less: Underwriter's discount	
Plus: Release of funds relating to 2009 Bonds	
Total Sources	

Uses:

Refunding Fund ⁽²⁾	
Reserve Fund ⁽²⁾	
Costs of Issuance Fund ⁽³⁾	
Total Uses	

- (1) For use to pay principal, interest and redemption price of the refunded 2009 Bonds. See "Refunding of 2009 Bonds."
- (2) Equals the initial Reserve Requirement. See "SECURITY FOR 2017 BONDS – Reserve Fund."
- (3) To be used to pay fees and expenses of Municipal Advisor, Bond Counsel, Disclosure Counsel, Special Tax Consultant, Appraiser, Verification Agent, Fiscal Agent and Escrow Bank, costs of printing this Official Statement and other costs relating to the issuance of the 2017 Bonds and the redemption of the 2009 Bonds.

2017 BONDS

General

The 2017 Bonds will be issued in the aggregate principal amount and will mature on the dates and bear interest at the rates per annum as set forth on the inside cover of this Official Statement. The 2017 Bonds will be issued in integral multiples of \$5,000 principal amount and will be dated their date of delivery.

Interest on the 2017 Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months and will be payable on March 1 and September 1 of each year, commencing March 1, 2018 (each an "Interest Payment Date"), until maturity or earlier redemption thereof. Each 2017 Bond will bear interest from the Interest Payment Date next preceding its date of authentication unless: (i) it is authenticated on an Interest Payment Date, in which event it will bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date (*i.e.*, the 15th calendar day of the month preceding such Interest Payment Date) preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it will bear interest from the Closing Date (*i.e.*, the date on which the 2017 Bonds will be initially issued and delivered); provided, however, that if at the time of authentication of a 2017 Bond, interest is in default, such 2017 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment.

* Preliminary; subject to change.

The 2017 Bonds will be initially delivered as one fully registered certificate for each maturity (unless the 2017 Bonds of such maturity bear different interest rates, then one certificate for each interest rate among such maturity) and will be delivered by means of the book-entry system of DTC. While the 2017 Bonds are held in DTC's book-entry only system, all payments of principal of, interest and premium (if any) on the 2017 Bonds will be made to Cede & Co., as the registered owner of the 2017 Bonds. See "Book-Entry Only System" below and "APPENDIX G – DTC'S BOOK-ENTRY ONLY SYSTEM."

Redemption

Optional Redemption.* The 2017 Bonds maturing on or after September 1, 20__ will be subject to redemption prior to their stated maturity at the option of the City on any Interest Payment Date occurring on or after September 1, 20__, as a whole or in part in an amount equal to integral multiples of \$5,000 or any and among maturities so as to maintain substantially level debt service on the Bonds, and by lot within a maturity, at a redemption price equal to __ percent of the principal of the 2017 Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption.

Mandatory Sinking Payment Redemption.* The 2017 Bonds maturing on September 1, 20__ (the "Term Bonds") will be subject to mandatory sinking payment redemption in part on each September 1, commencing September 1, 20__, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Term Bonds Maturing on September 1, 20__

Redemption Date (September 1)	Sinking Payment
<hr/>	
(maturity)	

Notwithstanding the foregoing, the amounts in the foregoing table will be reduced to the extent practicable so as to maintain substantially level debt service on the Bonds, as directed in writing by the City to the Fiscal Agent, as a result of any prior partial redemption of the 2017 Bonds pursuant to an optional redemption or a redemption from Special Tax Prepayments as described above.

Redemption from Special Tax Prepayments. A taxpayer may choose to make a prepayment of the Special Tax with respect to any parcel of Taxable Property and discharge the Special Tax obligation with respect to such parcel in whole or in part. Proceeds from the prepayment, less any administrative fees or penalties collected as part of such payment, are referred to in this Official Statement as the "Special Tax Prepayments." The amount of any such prepayment will be calculated in accordance with the Rate and Method. See "SECURITY FOR 2017 BONDS – Rate and Method – *Special Tax Prepayment*" and "APPENDIX B – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." The Special Tax Prepayments and any corresponding transfers from the Reserve Fund pursuant to the Fiscal Agent Agreement will be used to redeem Bonds, in whole or in part, on the next Interest Payment Date for which notice of redemption can timely be given under the Fiscal Agent Agreement. The 2017 Bonds to be redeemed will be selected in amounts equal to integral multiples of \$5,000 allocated among maturities of the 2017 Bonds, so as to maintain substantially level debt service on the Bonds, and by lot within a

* Preliminary; subject to change.

maturity. The redemption price for the 2017 Bonds to be redeemed from Special Tax Prepayments and corresponding transfers from the Reserve Fund (expressed as a percentage of the principal amount of the 2017 Bonds to be redeemed) will be as set forth below, together with accrued interest to the date fixed for redemption:

<u>Redemption Date</u>	<u>Redemption Price</u>
Any Interest Payment Date from	
March 1, 2018 to and including March 1, 2__	%
September 1, 20__ and March 1, 20__	
September 1, 20__ and March 1, 20__	
September 1, 20__ and any Interest Payment Date thereafter	

Purchase in Lieu of Redemption. In lieu of a redemption, upon the City's filing of an Officer's Certificate with the Fiscal Agent, the Fiscal Agent may use and withdraw moneys from the Bond Fund to purchase Outstanding 2017 Bonds, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may 2017 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase, and any premium which would otherwise be due if the 2017 Bonds were instead redeemed in accordance with the Fiscal Agent Agreement.

Notice of Redemption; Cancellation of Optional Redemption. The Fiscal Agent will cause notice of redemption of 2017 Bonds to be sent at least 30 days but not more than 60 days prior to the date fixed for redemption, to the Securities Depositories and to one or more Information Services, and to the respective registered Owners of any 2017 Bonds designated for redemption at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but the sending of such notices will not be a condition precedent to such redemption and failure to send or to receive any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of such 2017 Bonds.

In the case of any optional redemption, the notice of redemption may state that the redemption is conditioned upon receipt by the Fiscal Agent of sufficient moneys to redeem the 2017 Bonds to be redeemed on the anticipated redemption date, and that the redemption of such 2017 Bonds will not occur if by no later than the scheduled redemption date sufficient moneys to redeem the 2017 Bonds to be redeemed have not been deposited with the Fiscal Agent. In the event that the Fiscal Agent does not receive sufficient funds by the scheduled redemption date to so redeem the 2017 Bonds to be redeemed, the Fiscal Agent will send written notice to the Owners of such 2017 Bonds to the effect that the redemption did not occur as anticipated, and the 2017 Bonds for which notice of redemption was given will remain Outstanding for all purposes of the Fiscal Agent Agreement.

Notwithstanding the foregoing, so long as DTC is the sole Owner of the 2017 Bonds, notices of redemption and notices of cancellation of redemption as described above will be sent to DTC and not to the beneficial owners of the 2017 Bonds. See "Book-Entry Only System" below.

Selection of 2017 Bonds for Redemption. Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the 2017 Bonds of any maturity, the Fiscal Agent will select the 2017 Bonds of such maturity to be redeemed by lot, in any manner which the Fiscal Agent in its sole discretion shall deem appropriate and fair.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the 2017 Bonds so called for redemption have been deposited in the Bond Fund, such 2017 Bonds so called will cease to be entitled to any benefit

under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date.

Book-Entry Only System

The 2017 Bonds will be issued as one fully registered bond without coupons for each maturity of the 2017 Bonds (unless there are different interest rates within such maturity, then one certificate for each interest rate within such maturity) and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the 2017 Bonds. Individual purchases of the 2017 Bonds may be made in book-entry form only, in integral multiples of \$5,000 principal amount. Purchasers will not receive certificates representing their interest in the 2017 Bonds purchased. Principal of and interest on the 2017 Bonds will be paid to the account of Cede & Co., which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the 2017 Bonds as described herein. So long as DTC's book-entry system is in effect with respect to the 2017 Bonds, notices to Owners of the 2017 Bonds by the City or the Fiscal Agent will be sent to DTC. Notices and communication by DTC to its participants, and then to the beneficial owners of the 2017 Bonds, will be governed by arrangements among them, subject to then effective statutory or regulatory requirements. See "APPENDIX G – DTC'S BOOK-ENTRY ONLY SYSTEM."

In the event that such book-entry system is discontinued with respect to the 2017 Bonds, the City will execute and deliver replacement bonds in the form of registered certificates and, thereafter, the 2017 Bonds will be transferable and exchangeable on the terms and conditions provided in the Fiscal Agent Agreement. In addition, the following provisions would then apply: Interest on the 2017 Bonds (including the final interest payment upon maturity or earlier redemption) will payable by check of the Fiscal Agent mailed on the Interest Payment Dates by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer to an account within the United States made on such Interest Payment Date upon written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds, which instructions will continue in effect until revoked in writing, or until such Bonds are transferred to a new Owner. The principal of the 2017 Bonds and any premium on the 2017 Bonds are payable by check in lawful money of the United States of America upon surrender of the 2017 Bonds at the Principal Office of the Fiscal Agent. All 2017 Bonds paid by the Fiscal Agent pursuant to the Fiscal Agent Agreement will be canceled by the Fiscal Agent.

ANNUAL DEBT SERVICE SCHEDULE

The following table shows the annualized debt service on the 2017 Bonds (assuming no optional redemption or redemption from Special Tax Prepayments):

Bond Year ending September 1	Principal	Interest	Annual Debt Service
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
Total			

SECURITY FOR 2017 BONDS

General

Pursuant to the Fiscal Agent Agreement, the payment of principal of, redemption premium (if any) and interest on 2017 Bonds will be secured by a first lien and pledge of Special Tax Revenues and moneys held in the Bond Fund, the Reserve Fund and the Special Tax Fund (until the moneys in the Special Tax Fund are disbursed in accordance to the Fiscal Agent Agreement). The Bond Fund and the Reserve Fund will be held by the Fiscal Agent and the Special Tax Fund will be held by the City's Administrative Services Director or such other City officer or employee performing the functions of the chief financial officer of the City (the "Finance Director"), in each case, as provided for in the Fiscal Agent Agreement.

As used below, "Ordinance Levying Special Tax" refers to Ordinance No. 1118, adopted by the City Council of the City on December 16, 2008, and any ordinance of the City Council of the City amending, supplementing or replacing such Ordinance.

The Fiscal Agent Agreement defines "Special Taxes" to mean the special taxes levied within the District pursuant to the Mello-Roos Act, the Ordinance Levying Special Tax and the Fiscal Agent Agreement. "Special Tax Revenues" means the proceeds of the Special Taxes received by the City, including any scheduled payments and any prepayments, interest and penalties and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien, but shall not include interest and penalties collected in connection with delinquent Special Taxes in excess of the rate of interest payable on the Bonds.

After the issuance of the 2017 Bonds, the City is permitted to issue additional Bonds solely for refunding purposes under the Fiscal Agent Agreement. All Bonds issued and outstanding under the Fiscal Agent Agreement rank on a parity with respect to the pledge of Special Tax Revenues and other funds established under the Fiscal Agent Agreement. See "Issuance of Parity Bonds for Refunding Purposes Only."

The principal of Bonds, including the 2017 Bonds, will not be subject to acceleration under the Fiscal Agent Agreement upon the occurrence of a default in payment of the Bonds or any other default by the City or the Fiscal Agent under the Fiscal Agent Agreement.

Neither the faith and credit nor any taxing power of the City, or the State of California or any political subdivision thereof (other than the District), will be pledged to the payment of the 2017 Bonds. Except for the Special Tax Revenues, no other taxes will be pledged to the payment of the 2017 Bonds. The 2017 Bonds, when issued, will be limited obligations of the City for the District, payable solely from the Special Tax Revenues and amounts in certain funds established under the Fiscal Agent Agreement, as provided in the Fiscal Agent Agreement.

Application of Special Tax Revenues

The Fiscal Agent Agreement will require the Finance Director to establish and maintain a Special Tax Fund. The Finance Director will hold the Special Tax Fund for the benefit of the District and the Owners of the Bonds. Except as described below, the Special Tax Revenues, as received by the City on behalf of the District, will be deposited in the Special Tax Fund. From time to time as needed to pay the obligations of the District, but no later than the Business Day prior to each Interest Payment Date, the Finance Director will withdraw from the Special Tax Fund and make transfers to the Fiscal Agent for

deposit into the Bond Fund and the Reserve Fund (see “Bond Fund; Special Tax Prepayments Account” and “Reserve Fund” below”).

In addition, if in any fiscal year, there are sufficient funds in the Special Tax Fund to make the foregoing transfers to the Bond Fund and the Reserve Fund in respect of the Interest Payment Dates occurring in the Bond Year that commences in such fiscal year, the Finance Director may transfer any amount in the Special Tax Fund in excess of the amount needed to make such transfers to the Bond Fund and the Reserve Fund, to: (i) the Administrative Expense Fund, from time to time, if monies are needed to pay Administrative Expenses in excess of the amount then on deposit in the Administrative Expense Fund; (ii) such other fund or account established to pay debt service on or administrative expenses with respect to any bonds or other debt secured by a pledge of Special Tax Revenues subordinate to the pledge to the Bonds under the Fiscal Agent Agreement; or (iii) such other fund or account established by the City to be used for any lawful purpose under the Mello-Roos Act and otherwise in accordance with the provisions of the Rate and Method.

Notwithstanding the foregoing:

- (i) any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes will be: first, transferred to the Fiscal Agent for deposit in the Bond Fund, to the extent needed to pay any past due debt service on the Bonds; second, transferred to the Fiscal Agent for deposit in the Reserve Fund, to the extent needed to increase the amount on deposit in the Reserve Fund up to the then Reserve Requirement; and third, retained in the Special Tax Fund to be used for the purposes of the Special Tax Fund; and
- (ii) any proceeds of Special Tax Prepayments will be and will be transferred to the Fiscal Agent for deposit in the Special Tax Prepayments Account.

See “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT – Funds and Accounts – *Special Tax Fund*.”

Bond Fund; Special Tax Prepayments Account

The Fiscal Agent will establish a Bond Fund and, within the Bond Fund, a Special Tax Prepayments Account. Pursuant to the Fiscal Agent Agreement, money in the Bond Fund and the Special Tax Prepayments Account will be held by the Fiscal Agent for the benefit of the Owners of the Bonds.

On each Interest Payment Date, the Fiscal Agent will withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of and interest due and payable on the Bonds on such Interest Payment Date, including any amounts due on the Bonds by reason of an optional redemption, a mandatory sinking payment redemption or a redemption from Special Tax Prepayments. Notwithstanding the foregoing, the Fiscal Agent will disburse amounts in the Bond Fund transferred from Special Tax Revenues derived from collection of delinquencies in Special Tax payments to pay past due amounts owing on the Bonds. In the event that amounts in the Bond Fund are insufficient for payment in full of the principal of and interest due on the Bonds with respect to any Interest Payment Date, the Fiscal Agent will withdraw from the Reserve Fund, to the extent of any funds available therein, the amount needed to cover the amount of such Bond Fund insufficiency in accordance with the Fiscal Agent Agreement. If, after such transfer from the Reserve Fund, there are still insufficient funds in the Bond Fund to make the payments for the principal and interest due and payable on the Bonds on such Interest Payment Date, the Fiscal Agent will apply the available funds first to the payment of interest on the Bonds, and second to the payment of principal due on the Bonds other than by reason of sinking

payments, and third, to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled will be added to the sinking payment to be made on the next sinking payment date.

All Special Tax Prepayments transferred by the Finance Director to the Fiscal Agent will be deposited in the Special Tax Prepayments Account. The Fiscal Agent will transfer moneys from the Special Tax Prepayments Account, together with money to be released from the Reserve Fund, if any, in connection with the prepayment of Special Taxes (see “Reserve Fund” below), to the Bond Fund on the next date for which a notice of redemption can timely be given under the Fiscal Agent Agreement for a redemption of Bonds described under “2017 BONDS – Redemption – *Redemption From Special Tax Prepayments*.”

See “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT – Funds and Accounts – *Bond Fund*.”

Reserve Fund

The Fiscal Agent will establish a Reserve Fund pursuant to the Fiscal Agent Agreement. Money in the Reserve Fund will be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds as a reserve for the payment of the principal of, and interest and any premium on, the Bonds.

The Reserve Requirement is defined in the Fiscal Agent Agreement to mean, as of any date of calculation, an amount equal to the least of: (i) the then Maximum Annual Debt Service; (ii) 125 percent of the then average Annual Debt Service, and (iii) ten percent of the initial principal amount of the Bonds. Upon issuance of the 2017 Bonds, \$_____ from the sale proceeds of the 2017 Bonds will be deposited in the Reserve Fund. Such deposit is equal to the initial Reserve Requirement. Thereafter, from time to time, but no later than the Business Day prior to each Interest Payment Date, the Finance Director will transfer moneys from the Special Tax Fund to the Fiscal Agent for deposit into the Reserve Fund, if needed, so that the balance in the Reserve Fund after such deposit will equal the then Reserve Requirement; provided, however, that each transfer from the Special Tax Fund to the Reserve Fund will only be made after the required transfers to the Fiscal Agent for deposit into Bond Fund for the upcoming payment of principal and interest due on the Bonds have been made (see “Bond Fund” above) and only to the extent moneys are available in the Special Tax Fund.

Whenever Bonds are to be redeemed with Special Tax Prepayments pursuant to the Fiscal Agent Agreement, a proportionate amount in the Reserve Fund (determined on the basis of the principal of Bonds to be redeemed and the then outstanding principal of the Bonds) will be transferred by the Fiscal Agent to the Bond Fund to be applied to the redemption of the Bonds (see “2017 BONDS – Redemption – *Redemption From Special Tax Prepayments*”); provided, however, that no such transfer will be made that would cause the balance in the Reserve Fund to be less than the Reserve Requirement to be in effect following such redemption.

Whenever, on the Business Day prior to any Interest Payment Date, or on any other date at the request of the Finance Director, the amount in the Reserve Fund exceeds the Reserve Requirement, the Fiscal Agent will transfer an amount equal to the excess from the Reserve Fund to the Bond Fund, to be used to pay interest on the Bonds on the next Interest Payment Date. Such transfers may be made in connection with an optional redemption of the Bonds, if the dollar amount of the Reserve Requirement is reduced as a consequence of the optional redemption.

Amounts in the Reserve Fund may also be used to make payments to the federal government to satisfy any Federal rebate liability with respect to the Bonds.

See “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT – Funds and Accounts – *Reserve Fund*.”

Collection of Special Tax

Under the Fiscal Agent Agreement, the City will covenant to comply with all requirements of the Mello-Roos Act so as to assure the timely collection of Special Tax Revenues, including, without limitation, the enforcement of delinquent Special Taxes.

The Special Taxes will be payable and be collected in the same manner and at the same time and in the same installment as the *ad valorem* taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the *ad valorem* taxes on real property; provided that, pursuant to the Ordinance Levying Special Tax, the Special Taxes may be collected by means of direct billing of the property owners within the District, in which event the Special Taxes will become delinquent if not paid when due pursuant to said billing.

The City will covenant in the Fiscal Agent Agreement that the Finance Director will fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any outstanding Bonds becoming due and payable during the ensuing year, including any necessary replenishment of the Reserve Fund to the then Reserve Requirement and an amount estimated to be sufficient to pay the Administrative Expenses (including amounts necessary to discharge any obligation relating to arbitrage rebate payment to the federal government pursuant to the Internal Revenue Code) during such year, taking into account in any event the balances in such funds and in the Special Tax Fund. The Special Taxes so levied shall not exceed the maximum amounts as provided in the Rate and Method. See “Rate and Method.”

The City will covenant in the Fiscal Agent Agreement to not consent or conduct proceedings to reduce maximum Special Taxes that may be levied in the District below an amount, for any fiscal year, equal to 110 percent of the aggregate debt service due on the Bonds in such fiscal year, plus a reasonable estimate of Administrative Expenses for such fiscal year. The City will also covenant in the Fiscal Agent Agreement not to exercise its rights under the Mello-Roos Act to waive delinquency and redemption penalties related to the Special Taxes or to declare Special Tax penalties amnesty program if to do so would materially and adversely affect the interests of the Owners of the Bonds. The City further covenants in the Fiscal Agent Agreement not to permit the tender of Bonds in payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant that to accept such tender will not result in the City having insufficient Special Tax Revenues to pay the principal of and interest on the Bonds that will remain Outstanding following such tender.

Although the Special Taxes constitute liens on taxed parcels within the District, they do not constitute a personal indebtedness of the owners of property within the District. Other liens for taxes and assessments exist on the properties located within the District on a parity with the lien for the Special Taxes and others could come into existence in the future in certain situations without the consent or knowledge of the City or the landowners in the District. See “COMMUNITY FACILITIES DISTRICT – Overlapping Taxes, Charges and Assessments.” Other risk factors may also impact the ability of the City of collect sufficient Special Taxes to fulfill its payment obligations under the Fiscal Agent Agreement. See “BONDOWNERS’ RISKS.”

Rate and Method

The City is obligated to levy, for and on behalf of the District, the Special Tax in accordance with the Rate and Method. Taxable Property in the District now consist only of Developed Property. Below is a summary of certain provisions of the Rate and Method with respect to the Special Tax levy on Developed Porperty. A complete copy of the Rate and Method is found in Appendix B of this Official Statement. Unless otherwise specified, capitalized terms in the paragraphs below have the meanings ascribed to them in Appendix B.

Certain Definitions. Certain definitions set forth in the Rate and Method are excerpted below:

“Acre or Acreage” means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable final map, parcel map, condominum plan or other recorded County parcel map.

“Developed Property” means, for each Fiscal Year, all Taxable Property, exclusive of Taxable Public Property, for which a building permit for new construction, other than the construction of a parking lot, parking structure or street, was issued prior to March 1 of the prior Fiscal Year.

“Floor Area” means for a Successor Parcel, the total of the gross area of the floor surfaces within the exterior wall of an existing building, not including space devoted to stairwells, basement storage, required corridors, public restrooms, elevator shafts, light courts, vehicle parking and areas incident thereto, mechanical equipment incidental to the operation of such building, and covered public pedestrian circulation areas, including atriums, lobbies, plazas, patios, decks, arcades and similar areas, except such public circulation areas or portions thereof that are used solely for commercial purposes. The determination of Floor Area shall be made by the CFD Administrator by reference to appropriate records kept by the City’s Department of Development Services.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Maximum Special Tax” means the Maximum Special Tax A and Maximum Special Tax B.

“Maximum Special Tax A” means the Maximum Special Tax A for each Assessor’s Parcel in any Fiscal Year, which is calculated as described in “Maximum Special Tax” below.

“Maximum Special Tax B” means the Maximum Special Tax B for each Assessor’s Parcel in any Fiscal Year, which is calculated as described in “Maximum Special Tax” below.

“Original Assessor’s Parcel” means the property assigned to Assessor’s Parcel Number 319-102-25 (which was later changed to Assessor’s Parcel Number 319-391-01).

“Special Tax A” means the Maximum Special Tax A for Developed Property, Undeveloped Property and Taxable Public Property to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement.

“Special Tax B” means the Maximum Special Tax B for Developed Property, Undeveloped Property and Taxable Public Property to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement.

“Special Tax Requirement” means that amount required in any Fiscal Year for the District to: (i) pay debt service on all Outstanding Bonds due in the calendar year that commences in such Fiscal Year;

(ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and federal rebate payments on the Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; and (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the Fiscal Agent Agreement.

“Successor Parcel” means an Assessor’s Parcel created by the subdivision of the Original Assessor’s Parcel, or the subdivision of a Successor Parcel, for purposes of the levy of ad valorem taxes by the County, by assignment of additional Assessor’s Parcel numbers for the levying of ad valorem taxes, incident to the recordation of a final map, or similar instrument, or conveyance of a portion of the Original Parcel to a new property owner.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of the District which are not exempt from the Special Tax pursuant to law or the Rate and Method.

Maximum Special Tax for Developed Property. The Rate and Method establishes a Maximum Special Tax A and a Maximum Special Tax B for Developed Property in the District. Each Maximum Special Tax is increased on each July 1 by an amount equal to two percent of the amount in effect for the previous Fiscal Year. The table below shows the fiscal year 2017-18 Maximum Special Tax (as computed by the Special Tax Consultant, based on the Rate and Method):

	2017-18 Maximum Special Tax A	2017-18 Maximum Special Tax B	2017-18 Total Maximum Special Tax
Original Assessor Parcel	\$43,045.59 per Acre	\$23,178.94 per Acre	\$66,224.53 per Acre
Successor Parcel	Greater of (i) \$3.81 per square foot of Floor Area and (ii) \$43,045.59 per Acre	Greater of (i) \$2.05 per square foot of Floor Area and (ii) \$23,178.94 per Acre	Greater of (i) \$5.86 per square foot of Floor Area and (ii) \$66,224.53 per Acre

Source: Willdan Financial Services.

Reduction in Maximum Special Tax Amounts. The Rate and Method establishes a procedure (the “Permanent Reduction Procedures”) by which, following issuance of the final series of bonds to finance public facilities eligible to be funded by the District, the Maximum Special Tax can be reduced to the amount required to provide: (i) 110 percent debt service coverage on the Bonds and (ii) pay estimated Administrative Expenses. In consultation with the Owner of all of the Taxable Property in the District, the City has determined that the facilities intended to be funded by the District have been completed, and any future issuance of bonds by the City for the District following the issuance of the 2017 Bonds will be only for refunding purposes. In the Resolution approving the issuance of the 2017 Bonds, the City Council, acting as the legislative body of the District, directed the Finance Director to determine an applicable permanent reduction to the Maximum Special Tax pursuant to the Permanent Reduction Procedures after the issuance of the 2017 Bonds. See Section C.3 of the Rate and Method (a copy of which is set forth in Appendix B) for further details regarding the Permanent Reduction Procedures. For illustrative purposes, the table below shows the estimated reduced fiscal year 2018-19 Maximum Special

Tax (after application of the Permanent Reduction Procedures), based on the debt service for the 2017 Bonds and an estimate for the annual Administrative Expenses:

	Estimated 2018-19 Reduced Maximum Special Tax A*	Estimated 2018-19 Reduced Maximum Special Tax B*	Estimated 2018-19 Reduced Total Max Special Tax*
Original Assessor Parcel	\$_____ per Acre	\$_____ per Acre	\$_____ per Acre
Successor Parcel	Greater of (i) \$_____ per square foot of Floor Area and (ii) \$_____ per Acre	Greater of (i) \$_____ per square foot of Floor Area and (ii) \$_____ per Acre	Greater of (i) \$_____ per square foot of Floor Area and (ii) \$_____ per Acre

Source: Willdan Financial Services.

Method of Apportionment of Special Tax. The Rate and Method establishes the following procedure for apportioning the Special Tax on Taxable Property in the District.

In each Fiscal Year in which no Assessor's Parcel is classified as a Successor Parcel, the City determines the Special Tax Requirement and causes the Special Tax to be levied in an amount equal to the Special Tax Requirement. The Special Tax will be levied each Fiscal Year as follows:

- First: The Special Tax is levied on the Original Assessor's Parcel at up to 100 percent of the Maximum Special Tax A, and then, if needed, at up to 100 percent of the Maximum Special Tax B; and
- Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, then the Special Tax is levied in equal percentages on each Assessor's Parcel of Taxable Public Property up to the Maximum Special Tax A for Taxable Public Property, and then, if needed, up to the Maximum Special Tax B for Taxable Public Property. Currently, there is no Taxable Public Property in the District.

If the Original Assessor's Parcel is subsequently classified as a Successor Parcel, the total Maximum Special Tax for all of the Successor Parcels will be equal to the Maximum Special Tax of the Original Assessor's Parcel. If a Successor Parcel is subsequently subdivided into additional Successor Parcels, the total Maximum Special Tax for all of the additional Successor Parcels will be equal to the Maximum Special Tax of the subdivided Successor Parcel. In any such case, the Maximum Special Tax for Successor Parcels will be levied up to an amount equal to the Special Tax Requirement each Fiscal Year as follows:

- First: The Maximum Special Tax A will be levied Proportionately on each Successor Parcel of Developed Property at up to the Maximum Special Tax A per square foot of Floor Area, and then, if needed, the Maximum Special Tax B will be levied Proportionately on each Successor Parcel of Developed Property at up the Maximum Special Tax B per square foot of Floor Area;

* Preliminary; subject to change. Calculated based on estimated debt service.

- Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax will be levied Proportionately on each Successor Parcel of Developed Property with no Floor Area at up to 100 percent of the Maximum Special Tax A, and then, if needed, at up to 100 percent of the Maximum Special Tax B;
- Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax will be levied Proportionately on each Successor Parcel of Undeveloped Property at up to 100 percent of the Maximum Special Tax A for Undeveloped Property, and then, if needed, at up to 100 percent of the Maximum Special Tax B for Undeveloped Property;
- Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax will be levied Proportionately on each Successor Parcel of Developed Property included in the first step above up to the Maximum Special Tax A, inclusive of the Special Tax A already levied in the first step above, and then, if needed, up to the Maximum Special Tax B, inclusive of the Special Tax B already levied in the first step above; and
- Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps above have been completed, then the Special Tax will be levied in equal percentages on each Successor Parcel of Taxable Public Property up to the Maximum Special Tax A for Taxable Public Property, and then, if needed, up to the Maximum Special Tax B for Taxable Public Property.

Collection of Special Tax. The Rate and Method provides that the Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that prepayments are permitted according to the Rate and Method and provided further that the City, for and on behalf of the District, may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

Special Tax Prepayment. The Rate and Method allows prepayment of the Special Tax in full, or in part, with respect to an Assessor's Parcel in an amount to be computed as set forth in the Rate and Method. Also see "Application of Special Tax Revenues" and "Bond Fund; Special Tax Prepayments Account" and "2017 BONDS – Redemption – *Redemption From Special Tax Prepayments.*"

Fiscal Years 2013-14 through 2017-18 Special Tax Levy. Since the formation of the District, the Special Tax has been levied on Property assigned to a single County Assessor parcel number (originally, Assessor's Parcel Number 319-102-25, which was later changed to Assessor's Parcel Number 319-391-01). The Special Tax levy has been determined based on the debt service on the 2009 Bonds, plus an amount for the cost relating the administration of the 2009 Bonds and of the District. The dollar amounts of Special Tax levy for fiscal years 2013-14 through 2017-18 are set forth below:

TABLE 1
City of Brea
Community Facilities District No. 2008-2
Historical Special Tax Levy
Fiscal Years 2013-14 through 2017-18

Fiscal Year	Special Tax A	Special Tax B	Total Special Tax Levy
2013-14	\$510,137	\$116,627	\$626,764
2014-15	520,340	140,206	660,546
2015-16	530,747	130,378	661,124
2016-17	541,361	120,626	661,988
2017-18	552,189	132,358	684,547

Source: Willdan Financial Services, based on information from City of Brea and Orange County Auditor-Controller.

Covenant to Foreclose

Pursuant to Section 53356.1 of the Mello-Roos Act, in the event of any delinquency in the payment of the Special Taxes, the City, on behalf of the District, may cause the institution of a superior court action to enforce the lien therefore within specific time limits. In such an action, the real property subject to the delinquent amount may be sold at judicial foreclosure sale. Under the provisions of the Mello-Roos Act, such judicial foreclosure action is not mandatory.

Nonetheless, under the Fiscal Agent Agreement, the City will covenant that on or about September 1 of each Fiscal Year, the Finance Director will compare the amount of Special Taxes levied on property in the District during the fiscal year that ended immediately before each September 1 to the amount of Special Tax Revenues attributable to such levy theretofore received by the City and, subject to any constraints of the County's Teeter Plan (so long as the District is a participant in the Teeter Plan, see "County Teeter Plan" below) if the Finance Director determines that any parcel subject to the Special Tax in the District is delinquent in the payment of Special Taxes, then the Finance Director will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings shall be commenced by the City within 90 days of such determination to the extent permissible under the County's Teeter Plan program and applicable law. See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT – Covenants of the City."

In the event that the City proceeds with a foreclosure action, there could be delays in collection of the delinquent Special Tax levy pending the prosecution of foreclosure proceedings. No assurance can be given that real property subject to sale or foreclosure will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. Any foreclosure proceedings, once commenced, could be stayed because of bankruptcy proceedings by or against the owner of the delinquent property. If any of the foregoing occurs and the Reserve Fund is depleted, there could be a delay or default in payments of scheduled debt service to the Owners of the 2017 Bonds. See "BONDOWNERS' RISKS – Levy and Collection of Special Tax; Termination of Teeter Plan – *Foreclosure Delays; Sufficiency of Foreclosure Proceeds*," "Depletion of Reserve Fund," "– Bankruptcy Limiting Remedies of Bond Owners" and "Interest of Federal Agencies or Government Sponsored Enterprises in Properties."

To date, there has never been a delinquency with respect to the payment by the sole Property Owner in the District of the annual Special Tax. No assurance can be given that this will continue in the

future for so long as the 2017 Bonds remain Outstanding. See “BONDOWNERS’ RISKS – Levy and Collection of Special Taxes; Termination of Teeter Plan – *Termination of Teeter Plan.*”

County Teeter Plan

The County has adopted an Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), pursuant to Sections 4701 through 4717 of the California Revenue and Taxation Code and has elected to include special taxes levied within community facilities districts located in the County, including the District, within the Teeter Plan. Pursuant to the Teeter Plan, the County apportions to the local agencies 100 percent of the amount of the taxes which are levied regardless of the amount collected from property owners. The County retains all penalties and interest which are collected with delinquent taxes. Thus, so long as the Special Taxes levied on Taxable Property within the District are subject to the Teeter Plan, the City will receive 100 percent of the Special Taxes levied on such property in the District in each fiscal year.

The District’s Special Taxes are allocated and distributed by the County in installments as they are collected, beginning in November and ending in January with respect to the first installment of the Special Taxes which is due on December 10 of each year, and beginning in April and ending in May with respect to the second installment of the Special Taxes which is due on each April 10 of the following year. The City receives reports from the County Tax Collector regarding any delinquent Special Taxes in February and May of each year. In the third week of July of each year, the City receives a final distribution of all delinquent Special Taxes levied for the preceding Fiscal Year.

The District must comply with the following requirements, among others, in order to have the Special Taxes apportioned and distributed pursuant to the Teeter Plan: (a) the District must participate in the County Tax Collector’s Special Tax Monitoring System; (b) the District may not separately collect Special Taxes before August 1 following the end of each tax year; provided that if judicial foreclosure before June 30 is required due to bond covenants or debt service payment requirements and the District must remove the Special Taxes from the tax bill before June 30 for separate collection, the District must require that the entire amount of the unpaid Special Taxes (both the first and the second installments) be removed from the tax bill; and (c) if the District collects Special Taxes separately after July 31 in any tax year, it must collect penalties and interest at the correct rates (*i.e.*, 10 percent plus 1.5 percent of the principal amount per month after June 30) and forward such amounts together with the delinquent Special Taxes to the Tax Collector.

The above-mentioned restrictions on the District’s separate collection of Special Taxes before August 1 following the end of each tax year could preclude the District from commencing foreclosure proceedings to collect delinquent Special Taxes before that date. The City’s covenants to foreclose on delinquent parcels described above under “Covenant to Foreclose” are subject to the extent permissible under the County’s Teeter Plan program and applicable law.

Once adopted, a county’s Teeter Plan will remain in effect unless (i) such county’s Board of Supervisors orders its discontinuance or (ii) before the commencement of a Fiscal Year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. However, if the rate of secured tax delinquency in a participating levying agency in any year exceeds three percent of the total of all taxes and assessments levied on the secured roll by that agency, such county’s Board of Supervisors, by resolution adopted not later than July 15 of the Fiscal Year, after a public hearing may discontinue the Teeter Plan procedure with respect to such levying agency. Because all of the Taxable Property in the District is owned by a single owner, it is more likely that the County would elect to discontinue the Teeter Plan with respect to the District in the event of a delinquency of the Special Tax than if there were multiple owners of Taxable

Property in the District. See “BONDOWNERS’ RISKS – Levy and Collection of Special Taxes – Teeter Plan Termination.”

Issuance of Parity Bonds for Refunding Purposes Only

Pursuant to the Fiscal Agent Agreement, the City may issue additional Bonds secured by Special Tax Revenues and amounts in the Reserve Fund, the Bond Fund and the Special Tax Fund on a parity with the 2017 Bonds only if such Parity Bonds are issued for the purpose of refunding some or all of the then Outstanding Bonds and only if certain other conditions are satisfied. Such conditions include, among others, that the scheduled debt service on such Parity Bonds in any Bond Year does not exceed the debt service in the corresponding Bond Year on the Bonds being refunded, and the final maturity of the Parity Bonds is not later than the final maturity of the Bonds being refunded. See also “Rate and Method – *Reduction in Maximum Special Tax Amounts.*”

COMMUNITY FACILITIES DISTRICT

General

The District consist of a portion of a retail shopping center, the Brea Plaza, located just east of the City’s Downtown. The Brea Plaza was originally developed in in 1976. The most recent major renovation was completed in 2011. All of the property in the District is owned by a single Property Owner, California BP LLC. See further description under “DISTRICT PROPERTY OWNERSHIP AND DEVELOPMENT.”

Property Value

The Special Tax levy pursuant to the Rate and Method is not based on property value. See “SECURITY FOR 2017 BONDS – Rate and Method.” The amount of the Special Tax levied on property in the District does not correspond to the assessed value (as determined by the County Assessor) or the market value of the property. However, the value of the property may affect a taxpayer’s willingness or ability to pay the Special Tax when due. For reference only, shown below are the assessed valuation of the property in the District and the estimated market value per the Appraisal performed in connection with the issuance of the 2017 Bonds.

Assessed Value

The table below shows the secured assessed valuation of the taxable property in the District for the most recent five fiscal years.

TABLE 2
City of Brea
Community Facilities District No. 2008-2
Historical Secured Assessed Valuation⁽¹⁾
Fiscal Years 2013-14 through 2017-18

Fiscal Year	Land Value	Improvement Value	Total Value
2013-14	\$3,310,018	\$13,844,218	\$17,154,236
2014-15	3,325,046	14,917,634	18,242,680
2015-16	3,391,481	15,229,641	18,621,122
2016-17	3,443,201	15,461,893	18,905,094
2017-18	3,512,065	15,771,130	19,283,195

Source: Willdan Financial Services, based on information from Orange County.

The California Constitution imposes certain limitations on the *ad valorem* tax on real property and also on the amount of adjustment to such tax from year to year. As the result, the assessed value of a taxable property (based on which the *ad valorem* tax is calculated) may differ, sometimes significantly, from its market value. BOSC (defined below, see “DISTRICT PROPERTY OWNERSHIP DEVELOPMENT – Property Owner Description), acting through its subsidiaries, first purchased the Brea Plaza property in 1992. The secured assessed value of the Property in the District, even though has been adjusted based on renovations in the interim years, is significantly lower than than its current market value, as evidenced by the result of the Appraisal discussed below.

Appraised Value

The description of the Appraisal below is qualified by the complete Appraisal , a copy of which is set forth in Appendix C of this Official Statement.

The Appraisal was prepared in anticipation of the issuance of the 2017 Bonds. As more fully described in the Appraisal, the Appraiser provided an estimate of the as-is, market value of the leased fee interest of the Property, based on an inspection made as of August 23, 2017, with the assumption that the 2017 Bonds will be successfully issued. “Market value” refers to “the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.” “Leased fee interest” refers to “the ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.”

The Appraiser relied on a number of assumptions and limiting conditions in arriving at the estimated value, among them:

- Title to the Property was assumed to be good and marketable.
- The Property was appraised free and clear of any or all liens or encumbrances, except as otherwise noted. The valuation did not take into account any lien associated with any bank financings, which lien would be subordinate to the lien created by the Special Tax.

- It was assumed there were no hidden or unapparent conditions of the Property, subsoil, or structures that render it more or less valuable, unless otherwise noted.
- The Property was assumed to be in full compliance with all applicable federal, state, and local environmental regulations and law, unless otherwise noted.
- The Property was assumed to conform to all applicable zoning and use regulations and restrictions, unless otherwise noted.
- An inspection of the Property revealed no apparent adverse easements, encroachments or other conditions, impacting the Property. No encroachment or trespass was assumed.
- No hazardous materials were assumed to exist on or in the Property.

The Appraiser employed two approaches to develop its opinion on the estimated value of the Property: the sales comparison approach and the income capitalization approach.

The sales comparison approach is based on the premise that the value of a property is directly related to the prices being generated for comparable, competitive properties in the marketplace. A comparison is made to similar properties that have recently sold, are listed for sale, or are under contract. Then, the comparison is adjusted to compensate for the differences among the subject property and the compared transactions, based on factors such as: (i) property rights conveyed, (ii) financing terms, (iii) conditions for sale, (iv) expenditure after sale, (v) market conditions and (vi) physical characteristics.

The income capitalization approach is based on the premise that income-producing real estate is typically purchased as an investment. This approach evaluates the subject property's earning capability, as calculated by the capitalization of property income. In applying the income capitalization approach, the Appraisal used the direct capitalization method and the yield capitalization method. For the direct capitalization method, an estimate of a single year's income expectancy is converted into an indication of value, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. For the yield capitalization method, future benefits are converted into present value by (i) discounting each future benefit at an appropriate yield rate, or (ii) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate.

Based on its analysis after employing such approaches, the Appraiser concluded that the as-is market value (based on lease fee interest) of the Property within the District, subject to the lien of the Special Tax (assuming successful issuance of the 2017 Bonds) and the assumptions and limitations set forth in the Appraisal, was \$76 million, as of August 23, 2017.

Appraised Value to Special Tax Burden Ratio

Table 3 shows the ratio of the Appraised Value to Special Tax burden after the issuance of the 2017 Bonds. As show in Table 4, other than the Special Tax levy, there is currently no other community facilities district special tax or significant assessments on the Property in the District.....

TABLE 3
City of Brea
Community Facilities District No. 2008-2
Appraised Value to Special Tax Burden Ratio

Appraised Value	Special Tax Burden⁽¹⁾	Appraised Value to Special Tax Burden Ratio⁽²⁾
\$76,000,000	\$8,110,000*	9.37*

* Preliminary; subject to change.

(1) Equals the initial principal amount of 2017 Bonds.

(2) Equals "Appraised Value" divided by "Special Tax Burden."

Direct and Overlapping Taxes, Charges and Assessments

Property in the District is within the jurisdiction of a number of overlapping local agencies providing public governmental services. In addition to paying the Special Tax, the Property Owner is obligated to pay *ad valorem* property taxes and other existing and future additional special taxes, assessments and fees, if any, imposed by the overlapping agencies. The table below show the taxes, charges and assessment appearing on the 2017-18 secured property tax bill for the Property:

TABLE 4
City of Brea
Community Facilities District No. 2008-2
Taxes, Charges and Assessments as Shown on Secured Property Tax Bill
Fiscal Year 2017-18

2017-18 Secured Assessed Valuation: \$ 19,283,195

	% of Assessed Value	Amount
2017-18 Base Tax Rate	1.00000	\$192,831.95
Brea Paramedics	0.04500	8,677.43
North Orange County Joint Community College District	0.02927	5,644.19
Brea-Olinda Unified School District	0.02325	4,483.35
Metro Water D - Municipal Water District of Orange County	0.00350	674.91

Special Tax Levy, Assessment, Other Charges

Mosquito-Fire Ant Assessment	3.36
Vector Control Charge	4.80
Municipal Water District Water Standby Charge	129.32
City of Brea Community Facilities District No. 2008-2 Special Tax	684,547.00
Orange County Sanitary District Sewer User Fee	123,889.21
Total:	\$1,020,885.52

Source: Willdan Financial Services, based on information available from Orange County Treasurer-Tax Collector.

The City does not have any control over the amount of additional taxes or assessments to be levied in the future by other governmental agencies with jurisdiction over all or a portion of the District. The imposition of additional taxes, assessment, or charges could reduce the willingness or the ability of property owners in the District to pay the Special Taxes when due. See “BONDOWNERS’ RISKS – Cumulative Burden of Parity Liens, Taxes, Special Assessments.”

DISTRICT PROPERTY OWNERSHIP AND DEVELOPMENT

Set forth in this section is a description of the Property, the Property Owner and the management and development of the Property, as provided by the Property Owner. The City and the Underwriter have not independently confirmed or verified the information contained in this section. Neither the City or the Underwriter makes any representation as to the accuracy, adequacy or completeness of such description. There may be material adverse changes in this information after the date of this Official Statement. There is no guarantee that the current Property Owner will not sell all or part of the property in the District during the term of the 2017 Bonds. No assurances can be made by the City or the Underwriter that the Property Owner or any future owner of property within the District will have the resources, willingness and ability to successfully maintain and operate the development in the District or to pay the Special Taxes when due. See “BONDOWNERS’ RISKS.”

Property Owner Description

General. The Brea Plaza is comprised of the property in the District and an outlot. All of the property in the District is owned by California BP LLC, a Delaware limited liability company. The outlot is owned by California BI LLC, a Delaware limited liability company. Both California BP LLC and California BI LLC are owned by BPI Brea LLC, also a Delaware limited liability company. The outlot, occupied by Chick-Fil-A and AT&T, is not part of the District.

California BP LLC (Property Owner). California BP LLC is a single purpose entity owned by BPI Brea LLC and controlled by BOSC Inc. BOSC Realty Advisors LLC manages the day to day activities of BOSC Inc. and BPI Brea LLC.

BPI Brea LLC. BPI Brea LLC owns California BP LLC. BOSC Inc. is the manager of BPI Brea LLC and is controlled by Najwa S. Nadhir.

BOSC Realty Advisors LLC. BOSC Realty Advisors LLC, a Delaware limited liability company (“BOSC”), is controlled by the Najwa S. Nadhir Revocable Trust. Waad J. Nadhir is the President of BOSC and handles its operations. BOSC is a commercial real estate development company focused on redevelopment of properties in core urban areas within major metropolitan areas throughout the United States. In addition to the Brea Plaza, in recent years, BOSC has developed properties in Montclair, California, as well as in the State of Michigan (Detroit, Berkely and Southfield). Over the last 22 years, BOSC also completed renovations of multiple retail centers (ranging from 28,000 to 185,000 square feet) in various cities in California, including San Diego, Palos Verdes, Lake Forest, Rancho San Marcos and Pasadena.

Current Land Use

The Brea Plaza is an approximately 165,000 square foot shopping center. The taxable property in the District consists of a 12.83-acre portion of the Brea Plaza. The remaining 0.33-acre portion of the Brea Plaza, which is not in the District, is developed with a retail building.

The Brea Plaza was originally built in 1976, as a neighborhood shopping center. Over the past 25 years, it has attracted tenants that helped it transform into a regional shopping center. A major renovation was completed in 2011. The Brea Plaza is located adjacent to the 57 Freeway, along Imperial Highway. Just across the 57 Freeway is the Brea Mall, a 1.3 million square foot major retail mall. Other land uses in the area include office, industrial, commercial and residential.

Flood Control Channel. The Loftus Diversion Channel (the “Flood Control Channel”) is adjacent to the property in the District, and is owned and operated by the Orange County Flood Control District (the “Flood Control District”). The Flood Control Channel is not part of the District. California BP LLC has leased the Flood Control Channel from the Flood Control District for an initial 30 year term (expiring in 2040) plus two optional 10-year extensions. California BP LLC is currently negotiating with the Flood Control District to extend the current base term of the lease by an additional 20 years (while keeping the two 10-year optional extensions).

California BP LLC constructed improvements on the Flood Control Channel to allow the use of the surface of the Flood Control Channel for parking, landscaping and ingress and egress to the shopping center. To accomplish this, California BP LLC had to convert the Flood Control Channel from an open channel to an enclosed underground box flood control channel structure (the “Flood Control Channel Improvements”). As a result of the construction of the Flood Control Channel Improvements, California BP LLC added approximately 2.34 acres and 102,000 square feet to the site for public parking, landscaping and pedestrian walkways. The construction of the Flood Control Channel Improvements is governed by (i) an “Agreement D07-024: Loftus Diversion Channel (Portion of Segment North of Imperial Highway)” dated as of October 23, 2007 and (ii) an Amendment to Agreement D07-024 (Loftus Diversion Channel) dated as of March 17, 2009, both between the Flood Control District and California Brea Partners, L.P. (as amended, the “Flood Control Agreement”), which was assigned to California BP LLC. Upon completion of the Flood Control Channel Improvements in 2010, the Flood Control District leased the surface of the Flood Control Channel to California BP LLC pursuant to a Lease (Surface of Loftus Diversion Channel) (the “Flood Control Channel Lease”).

The Flood Control Channel Lease initially required California BP LLC to pay approximately \$17,000 of rent per month (subject to adjustment every five years during the base term). However, the Flood Control Channel Lease allows California BP LLC to credit the costs of constructing the Flood Control Channel Improvements against the lease payment obligation during the initial 30-year term. As a result, California BP LLC does not pay lease payments during the initial term. Following construction of the Flood Control Channel Improvements, California BP LLC subleased the surface of the Flood Control Channel to the City for the purpose of public parking and public sidewalk. In the Fiscal Agent Agreement, the City agrees to maintain a sublease with California BP LLC for as long as the Flood Control Channel Lease is in effect.

Current Leasing Status

As of August 2017, the vacancy rate for the Brea Plaza was 1.45 percent, based on a single vacancy of a 2,277 square foot space (previously occupied by Bonny Bridal). The Property Owner is reviewing options for the space. This is the first vacancy in the Brea Plaza in six years. Below is certain

information regarding the rent roll of the portion of the Brea Plaza within the District as of August 1, 2017:

TABLE 5
City of Brea
Community Facilities District No. 2008-2
Rent Roll
as of August 1, 2017

Tenant Name	Size (Sq. Ft.)	Lease Start Date	Lease End Date	Notes
Brea Plaza 5 Cinema LLC	18,450	11/26/10	11/30/20	
Total Wine & More	18,013	11/17/10	01/31/21	
DSW Shoe Warehouse, Inc.	17,450	09/27/12	09/30/32	
Mother's Market & Kitchen	13,006	08/02/11	08/31/31	
Lucille's Smokehouse BBQ	11,829	03/28/77	12/31/27	
DXL Men's Apparel	10,000	05/22/12	06/30/22	
Grand Salon & Spa Inc.	9,153	02/01/11	01/31/21	
Buca Di Beppo Restaurant	7,500	09/05/99	09/04/14	BOSC believes tenant on month-to-month, but tenant believes it has multi-year term. No litigation at this time.
Jared, the Galleria of Jewelry	6,000	10/01/11	10/01/31	
Panera Bread	4,135	08/30/10	12/31/20	
FedEx Office and Print Services	4,000	06/01/10	05/31/22	
Carter's Retail Inc. (Children's Clothing)	3,979	10/19/11	06/30/21	
Custom Comfort Mattress	3,857	07/16/11	06/30/21	
The Meat House (The Butchery Quality Meats)	3,200	05/30/11	01/31/21	
California Fish Grill, Inc.	2,900	09/15/10	01/31/21	
Chipotle Mexican Grill	2,564	03/29/11	03/31/21	
Pho Ha Vietnamese Restaurant	2,004	07/01/10	06/30/20	

Tenant Name	Size (Sq. Ft.)	Lease Start Date	Lease End Date	Notes
Yori Modern Japanese Cuisiion	1,604	09/15/10	09/14/20	
Emanuela Alexandroni, DDA	1,596	01/15/96	04/30/21	
Which Wich? Superior Sandwich	1,465	10/11/11	10/31/21	
Jax Donuts	1,365	12/01/99	01/31/19	
Greatest Nails	1,305	05/31/11	05/13/19	
European Wax	1,259	06/15/12	06/30/22	
Z-Pizza	1,200	03/17/11	03/31/21	
Starbucks	1,183	03/29/96	03/28/26	
Creamistry (ice cream shop)	1,141	11/05/15	04/30/21	
Vacuum Depot Inc	1,090	08/01/10	07/31/15	Currently month-to-month
The Joint Chiropractic	1,071	02/15/13	05/31/18	
Fibo Kids Art Academy	900	05/01/13	04/30/19	
Brea Mail Center	663	01/03/11	01/31/21	
EyeBrow Beauty	715	07/30/11	08/31/21	
<i>[Vacant]</i>	2,277	--	--	Previously occupied by Bonny Bridal. Ownership is reviewing options for this space
Total	156,874			98.55% occupied

Source: BOSC Realty Advisors LLC.

Operating Revenues and Expenses

The following table shows the operating revenues and expenses of California BP LLC with respect to the portion of the Brea Plaza in the District for the last five complete calendar years:

TABLE 6
City of Brea
Community Facilities District No. 2008-2
Property Owner Operating Revenues and Expenses
Calendar Years 2012 through 2016

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenue					
Minimum and percentage rents ⁽¹⁾	\$3,733,471	\$4,296,387	\$4,265,257	\$4,438,184	\$4,479,977
Recoveries from tenants ⁽²⁾	1,289,285	1,476,133	1,579,040	1,696,706	1,683,453
Other income	55,650	11,866	6,017	41,158	10,813
Total revenues	<u>5,078,406</u>	<u>5,784,386</u>	<u>5,850,314</u>	<u>6,176,048</u>	<u>6,174,243</u>
Operating expenses					
Common area	498,178	446,974	507,981	505,364	495,595
Insurance	66,155	72,596	70,191	70,954	68,072
Management fees	150,998	168,913	177,166	185,628	185,364
Property taxes (incl. Special Tax) ⁽³⁾	892,416	883,593	941,009	982,456	989,747
Total operating expenses	<u>1,607,746</u>	<u>1,572,076</u>	<u>1,696,346</u>	<u>1,744,402</u>	<u>1,738,778</u>
Net operating income	3,470,660	4,212,309	4,153,968	4,431,647	4,435,465
Non-operating expenses ⁽⁴⁾	<u>2,651,608</u>	<u>2,516,613</u>	<u>2,487,043</u>	<u>2,455,521</u>	<u>2,428,911</u>
Net income	<u>\$819,052</u>	<u>\$1,695,696</u>	<u>\$1,666,925</u>	<u>\$1,976,126</u>	<u>\$2,006,554</u>

(1) As applicable per each lease. Percentage rent based on percentage of sales or other basis as specified in lease.

(2) Recovery of common area maintenance, property tax, special tax and other expenses per terms of each lease.

(3) Includes amounts on property tax bill, such as the District's Special Tax. See Table 4 under "COMMUNITY FACILITIES DISTRICT – Direct and Overlapping Taxes, Charges and Assessments." Also See "SECURITY FOR 2017 Bonds – Rate and Method – Fiscal Years 2013-14 through 2017-18 Special Tax Levy."

(4) Includes mortgage interest.

Source: BOSC Realty Advisors LLC.

Outstanding Loan

Concurrently with the issuance of the 2009 Bonds, a loan (the "2009 Loan") was incurred by the single purpose entity (controlled by BOSC) which then had fee ownership of the Brea Plaza to refinance a prior loan and provide construction financing for the renovation of the Brea Plaza. In 2011, a new loan (the "2011 Loan") with Ladder Capital was incurred to refinance the 2009 Loan. BPI Brea LLC (with Brea BP LLC and Brea BI LLC as sole members) was formed in 2011 to accommodate the 2011 Loan. The 2011 Loan matures on February 6, 2022 and has an interest rate of 6.322 percent. As of August 11, 2017, the outstanding principal amount of the 2011 Loan was approximately \$40.5 million. The 2011 Loan is secured by a deed of trust on the entire Brea Plaza property. Pursuant to the terms of the related loan agreement and deed of trust, in case of a default, Ladder Capital (or its successors and assigns) may foreclose and assume ownership of the Brea Plaza, including the portion of the Brea Plaza located within the District. The lien securing the 2011 Loan ranks subordinate to property tax liens, including the lien securing the Special Tax.

Long-Term Improvement Plans

The City is in the preliminary stages of studying the feasibility of a Central City Core Specific Plan, to support new residential, retail, lodging and office development in the City's central core area. BOSC and the City have discussed the inclusion of the Brea Plaza within the scope of the proposed Specific Plan, but BOSC has no immediate plans to change the composition of the tenants in Brea Plaza.

Property Owner Certifications

In connection with the issuance of the 2017 Bonds, California BP LLC, as the Property Owner, and BOSC will certify to the City and the Underwriter, to their knowledge:

- BOSC, California BP LLC, and all other entities directly or indirectly owned, managed or otherwise controlled by BOSC (collectively, the "BOSC Entities"), have not defaulted to any material extent in the payment of special taxes or assessments in connection with the District or any other community facilities districts in California or assessment districts within the past five years.
- None of the BOSC Entities are currently in default on any loans, lines of credit or other obligation, the result of which could materially adversely affect the ownership, development and operation of property in the District as described in this Official Statement.
- All of the BOSC Entities are solvent and no proceedings are pending threatened in which any of the BOSC Entities may be adjudicated as bankrupt or become the debtor in a bankruptcy proceeding, or discharged from all of its respective debts or obligations, or granted an extension of time to pay its respective debts or a reorganization or readjustment of its respective debts.
- There is no litigation or administrative proceeding of any nature in which any of the BOSC Entities has been served or is pending (with proper service of process having been accomplished) or threatened against any of the BOSC Entities which, if successful, would materially adversely affect the ability of California BP LLC pay the Special Taxes or ordinary ad valorem property tax obligations when due on its property within the District, or which challenges or questions the validity or enforceability of the 2017 Bonds, the resolutions relating to the 2017 Bonds or the District, the Fiscal Agent Agreement, or the Bond Purchase Contract (defined below, see "CONCLUDING INFORMATION – Underwriting."

BONDOWNERS' RISKS

Investment in the 2017 Bonds involves elements of risk. The following section describes certain specific risk factors affecting the payment and security of the 2017 Bonds. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the 2017 Bonds and the order of discussion of such risks does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this Official Statement in evaluating the 2017 Bonds. There can be no assurance that other risk factors not discussed under this caption will not become material in the future.

Levy and Collection of Special Tax; Termination of Teeter Plan

Termination of Teeter Plan. The County implemented the Teeter Plan in 1993. So long as the District remains to be a participant in the Teeter Plan, in the event of a Special Tax delinquency during a fiscal year, the County will remit to the City an amount equal to the delinquent Special Tax around the third week of July following the end of such fiscal year. As such, the Teeter Plan, while it remains in effect with respect to the District, provides certain degree of protection for debt service payments with respect to the 2017 Bonds against the risk of Special Tax delinquencies. However, the County is entitled, and under certain circumstances could be required, to terminate its Teeter Plan with respect to all or part of the District. See “SECURITY FOR 2017 BONDS – County Teeter Plan.” Because all of the Taxable Property in the District is owned by a single owner, it is more likely that the County would elect to discontinue the Teeter Plan with respect to the District in the event of a delinquency of the Special Tax than if there were multiple owners of Taxable Property in the District. A termination of the Teeter Plan with respect to the District would eliminate such protection from Special Tax delinquency and, in that case, a delinquency by the Property Owner (or any subsequent property owner) with respect to the payment of Special Tax will reduce Special Tax Revenues available for debt service on the 2017 Bonds.

Rate and Method and Mello-Roos Act Limitations. The principal source of revenues to pay scheduled debt service payment on the 2017 Bonds will be the proceeds of the levy and collection of the Special Tax against Taxable Property within the District. The Special Tax levy on Taxable Property within the District is subject to the maximum rates set forth in the Rate and Method and the provisions of the Mello-Roos Act. In the event of significant Special Tax delinquencies in the District and the Teeter Plan is terminated, no assurance can be given that the Special Tax Revenues will in fact be collected in sufficient amounts in any given year, together with moneys available in the Reserve Fund, to pay the scheduled debt service on the 2017 Bonds.

Foreclosure Delays; Sufficiency of Foreclosure Proceeds. Generally, the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and are subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem* property taxes.

As discussed under “SECURITY FOR 2017 BONDS – Covenant to Foreclose,” the Fiscal Agent Agreement will contain a covenant by the City to, subject to any constraints of the County’s Teeter Plan (so long as the District is a participant in the Teeter Plan), provide notice of delinquency and, if the delinquency remains uncured, commence foreclosure proceedings. No assurance can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. If a judgment of foreclosure and an order of sale are obtained, the judgment creditor (*i.e.*, City commencing such action) must cause a notice of levy to be issued. Under current law, a judgment debtor (*i.e.*, the property owner) has 120 days (or in some cases a shorter period) from the date of service of the notice of levy and 20 days from the subsequent notice of sale in which to redeem the property to be sold. If a judgment debtor fails to so redeem and the property is sold, such debtor’s only remedy is an action to

set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such action, a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made.

No assurance can be given that real property subject to sale or foreclosure will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. The Mello-Roos Act does not require the City to purchase or otherwise acquire any real property offered for sale or subject to foreclosure if there is no other purchaser at such sale. The Mello-Roos Act specifies that the Special Tax will have the same lien priority in the case of delinquency as for *ad valorem* property taxes. See “Cumulative Burden of Parity Liens, Taxes and Special Assessments.”

In the event that the Reserve Fund is depleted and delinquencies in the payments of Special Taxes continue, there could be a default or delay in the debt service payment with respect to the 2017 Bonds, pending prosecution of foreclosure proceedings and receipt of foreclosure sale proceeds, if any. Within the limits of the Rate and Method and the Mello-Roos Act, the City may adjust the Special Taxes levied within the District in future years to provide any amount, taking into account such delinquencies, required to pay debt service on the Bonds and to replenish the Reserve Fund. There is, however, no assurance that the maximum Special Tax rates, as subject to the Rate and Method and the Mello-Roos Act, will be at all times sufficient to collect the amounts required to be paid on Bonds. See “SECURITY FOR 2017 BONDS – Rate and Method.”

Concentration of Property Ownership

All of the Taxable Property in the District is owned by California BP LLC and controlled, ultimately, by BOSC. See “DISTRICT PROPERTY OWNERSHIP AND DEVELOPMENT.” A lack of diversity in the taxpayer responsible for the Special Tax represents a risk to the owners of the 2017 Bonds, in that if the County’s Teeter Plan is discontinued, a delinquency by the Property Owner could result in the depletion of the Reserve Fund before the City collects of the delinquent Special Tax or reimbursement from the resale of foreclosed property. See “Levy and Collection of Special Tax; Termination of Teeter Plan.” In such an event, there would be insufficient moneys in the funds held and pledged to the 2017 Bonds under the Fiscal Agent Agreement to pay the principal of and interest on the 2017 Bonds on a timely basis. The successful collection of the Special Tax each year in full will depend on the Property Owner’s (or any subsequent owner’s) ability and willingness to pay the Special Tax, which, in turn, are dependent on the continuing successful operation of the Brea Plaza. The City does not make any representation and gives no assurance that any such event (whether with respect to this Property Owner or any future owner of the Property in the District) will not occur.

Limited Obligations with Respect to 2017 Bonds

Funds for the payment of the principal of and the interest on the 2017 Bonds will be derived primarily from the Special Tax levied in the District. If the Teeter Plan is terminated with respect to the District and there is a non-payment by the owner of Taxable Property in the District or insufficient proceeds are received from the sales of land due to delinquencies, a default on the 2017 Bonds may occur upon the depletion of the Reserve Fund. The 2017 Bonds are not general obligations of the City. The City has no obligation to pay principal of and interest on the 2017 Bonds from its own funds if Special Tax collections are delinquent, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels for Special Tax delinquencies.

Special Tax Not Personal Obligations of Property Owner

The Special Tax is an obligation only against the property subject to the Special Tax. If, after a default in the payment of the Special Tax and a foreclosure sale by the City, the resulting proceeds are insufficient, taking into account other obligations also constituting a parity lien against the parcels of such property, the City has no recourse against the property owner for the delinquency.

Risks of Real Estate Secured Investments Generally; Appraised Value

Owners of the 2017 Bonds will be subject to the risks generally incident to an investment secured by real estate, including but not limited to: (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the District, the supply of or demand for competitive properties in such area, and the market value of the properties in the event of sale or foreclosure, (ii) changes in real estate tax rates and other operating expenses, government rules (including, without limitation, zoning laws, growth control initiatives and laws relating to threatened and endangered species) and fiscal policies, and (iii) natural and manmade disasters (including, without limitation, earthquakes, floods and fire), which may result in uninsured losses. These risks affect the value of the property subject to the Special Tax levy, as well as the property owners' willingness and/or ability to pay the Special Tax when due.

The value of land within the District is an important factor in evaluating the investment quality of the 2017 Bonds. In the event that a property owner defaults in the Special Tax payment and the City commences a foreclosure action on such property, prospective purchasers of the 2017 Bonds should not assume that such property could be sold for its assessed value at a foreclosure sale or for an amount adequate to pay delinquent Special Tax payments. Reductions in property values within the District due to economic conditions or the real estate market, events such as earthquakes, droughts, or floods, stricter land use regulations, threatened or endangered species or other events may adversely impact the security underlying the revenues from collection of the Special Tax, and therefore, may adversely impact the security for the 2017 Bonds. The City cannot make any representation regarding the future trend of the value of the property in the District.

The Appraisal, a copy of which is attached as Appendix C, estimates the as-is market value (based on leased fee interest) of the Property within the District. See "COMMUNITY FACILITIES DISTRICT – Property Value – *Appraised Value*." This market value is merely the opinion of the Appraiser as of the date of value shown in the Appraisal, and is subject to the assumptions and limiting conditions stated in the Appraisal. The City has not sought the present opinion of any other appraiser of the value of the taxed parcels. A different present opinion of value might be rendered by a different appraiser. The opinion of value relates to sale by a willing seller to a willing buyer, each having similar information and neither being forced by other circumstances to sell or to buy. Consequently, the opinion is of limited use in predicting the selling price at a foreclosure sale, because the sale is forced and the buyer may not have the benefit of full information. In addition, the opinion is a present opinion, based upon present facts and circumstances. Differing facts and circumstances may lead to differing opinions of value. The appraised value is not evidence of future value because future facts and circumstances may differ significantly from the present. No assurance can be given that any of the Taxable Property in the District could be sold for the estimated market value contained in the Appraisal if that property should become delinquent in the payment of Special Taxes and be foreclosed upon.

Cumulative Burden of Parity Liens, Taxes and Special Assessments

The Special Tax is secured by a lien on the property in the District subject to the Special Tax levy. Certain direct and overlapping indebtedness payable from taxes and assessments on land within the

District are currently outstanding. See the Table 4 under the caption “THE DISTRICT.” The ability or willingness of the Property Owner (or any other future property owner of Taxable Property in the District) to pay the Special Tax on a timely basis can be affected by the existence of other taxes and assessments either currently existing or may be imposed in the future upon the property. The City does not have any control over the ability of other governmental entities to issue indebtedness secured by *ad valorem* taxes, special taxes or assessments payable from levies of all or a portion of the property within the District.

In general, as long as the Special Tax is collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of the Special Tax securing the 2017 Bonds, the Special Tax may be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a *pro rata* basis. Although the Special Taxes will generally have priority over nongovernmental liens on a parcel of property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy. The existence of other property taxes, special taxes and special assessments may reduce the value-to-lien ratio of the affected parcels and increases the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Taxes.

Depletion of Reserve Fund

The Reserve Fund is to be maintained at an amount equal to the Reserve Requirement (see “SECURITY FOR 2017 BONDS – Reserve Fund”). Money in the Reserve Fund may be used to pay principal of, and interest on, the Bonds outstanding under the Fiscal Agent Agreement in the event the proceeds of the levy and collection of the Special Tax against property within the District is insufficient for such purpose. If moneys available in the Reserve Fund are depleted, the Reserve Fund can be replenished from the proceeds of the Special Tax collected that are in excess of the amount required to pay debt service on the Bonds and the annual Administrative Expenses. However, no Reserve Fund replenishment from the proceeds of a Special Tax levy can occur if such Special Tax is already being levied at the maximum rate and the proceeds from such levy remain insufficient to pay the full debt service on the Bonds and the annual Administrative Expenses. Thus, it is possible that the Reserve Fund will be depleted and not be replenished by the levy of the Special Tax.

Bankruptcy Limiting Remedies of Bond Owners

The payment of the Special Tax and the ability of the City to foreclose the lien of a delinquent unpaid Special Tax, as discussed in “SECURITY FOR 2017 BONDS – Covenant to Foreclose,” may be limited or delayed by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the State of California relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed due to crowded local court calendars or delays in the legal process. The various legal opinions to be delivered concurrently with the delivery of the 2017 Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the lien of the Special Tax to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. The federal bankruptcy laws provide for an automatic stay of foreclosure and

sale of tax sale proceedings, thereby delaying such proceedings perhaps for an extended period. Any such delays would increase the likelihood of a delay or default in payment of the principal of and interest on the 2017 Bonds and the possibility of delinquent tax installments not being paid in full. Further, should remedies be exercised under the federal bankruptcy laws against parcels in the District, payment of the Special Tax may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over the Special Tax in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding.

Interest of Federal Agencies or Government Sponsored Enterprises in Properties

The ability of the City to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the “FDIC”), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency or a federal government sponsored enterprise (such as the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, commonly known as “Fannie Mae” and “Freddie Mac”) has or obtains an interest. In the event that any financial institution making any loan which is secured by real property within the District is taken over by the FDIC, another federal agency or a federal government sponsored enterprise, and prior thereto or thereafter the loan or loans go into default, then the ability of the District to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited. The Property Owner has represented to the City that, as of October 1, 2017, none of the FDIC, Fannie Mae or Freddie Mac has any ownership of or security interest in, Taxable Property within the District.

The FDIC’s policy statement regarding the payment of state and local real property taxes (the “Policy Statement”) provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property’s value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution’s affairs, unless abandonment of the FDIC’s interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC’s consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC’s consent.

The Policy Statement states that the FDIC generally will not pay non-*ad valorem* taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Mello-Roos Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC’s federal immunity. The Ninth Circuit issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from Mello-Roos special taxes, such as the Special Taxes.

The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the District in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a

judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at foreclosure sale. Such an outcome could cause a draw on the Reserve Fund and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the 2017 Bonds.

Exempt Property

The Rate and Method sets a certain limit on the acreage of property in the District that may become exempt from the Special Tax levy. See “APPENDIX B – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX – E. EXEMPTIONS.” However, the Mello-Roos Act provides that, with limited exceptions, properties or entities of the state, federal or local government are generally exempt from special taxes levied by any community facilities district, including the District; provided, however, that property within the District acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. It is possible that property in the District acquired by a public entity following a tax sale or foreclosure based upon failure to pay taxes could become exempt from the Special Tax. In addition, although the Mello-Roos Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Mello-Roos Act have not been tested, meaning that such property could become exempt from the Special Tax. In the event that additional property is dedicated to public entities, this additional property might become exempt from the Special Tax.

Natural or Manmade Disasters

The City, like most communities in California, is an area of unpredictable seismic activity, and therefore, is subject to potentially destructive earthquakes. Two major faults traverse through the City, the Whittier fault and the Elysian Park thrust fault. The Whittier fault cuts across the hills and through the eastern half of the City in a northwesterly direction. Several traces of the Whittier fault are still active. The Elysian Park thrust fault is buried approximately six to ten miles below the ground surface of the City. The San Andreas fault lies 33 miles from the City.

According to flood hazard maps published by the Federal Emergency Management Agency (“FEMA”), the District is within Zone X (outside the 500-year flood plain) and Zone X500 (areas of 500-year flood; areas of 100-year flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 100-year flood). The property lies in a FEMA flood plain overlay district. The flood plain overlay is applied as a supplemental regulation on existing zoned areas where potential flooding hazards have been identified. The regulations generally identify uses that are permitted and those that are not permitted within the flood plain overlay. The District is located adjacent to the Flood Control Channel and proceeds of the 2009 Bonds were used to finance the Flood Control Channel Improvements. See “DISTRICT PROPERTY OWNERSHIP AND DEVELOPMENT – Existing Land Use – *Flood Control Channel*.” By letter dated June 8, 2007, the County of Orange accepted the design of the Flood Channel Improvements of the 100-year high confidence peak flow rate value of 4,235 cubic feet per second. In the Antidegradation Analysis for Loftus Diversion Channel Improvements dated May 29, 2008, Hunsaker & Associates, an engineering firm that designed the Flood Channel Improvements, reported that, consistent with the Antidegradation Policy under the Clean Water Act, the Flood Control Channel Improvements were designed to avoid the decrease of pollutant removal mechanisms and infiltration potential of the existing channel. The Property Owner submitted a Letter of Map Revision after completion of the Flood Channel Improvements. The Property Owner has informed the City that it is not obligated to and does not maintain flood insurance for the Property.

Hazardous Substances

Claims regarding hazardous substances can have an adverse impact on the value of property within the District and, therefore, the security for the 2017 Bonds. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is one of the most well-known and widely applicable of these laws, but California laws with respect to hazardous substances are also generally regarded as stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. Should a parcel in the District be affected by a hazardous substance, the effect, therefore, is that the marketability and value of the parcel may be reduced by the costs of remedying the condition, because the purchaser, upon becoming the owner, will become obligated to remedy the condition just as is the seller. Further such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the financial and legal liability of a property owner (thus affect such owners’ ability and/or willingness to pay the Special Tax when due), as well as the value of the property that is realized upon foreclosure. The assessed values and the Appraised Value set forth in this Official Statement do not take into account the possible reduction in marketability and value of any property by reason of possible liability of the owner or operator for the remedy of a hazardous substance condition of the parcel. The City is not aware of any owner (or operator) of property in the District that is subject to a current liability under hazardous substance law with respect to any of the parcels in the District. The Property Owner has represented to the City that it is not aware of any hazardous substances on the Property. The City makes no representation and gives no assurance that such hazardous substance liabilities or conditions do not currently exist or will not arise in the future.

Disclosure to Future Purchasers

The City has caused a notice of the Special Tax lien to be recorded in the Office of the County Recorder. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such special tax obligation in the purchase of a parcel of land in the District or the lending of money secured by property in the District. The Mello-Roos Act requires the subdivider of a subdivision (or its agent or representative) to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with these requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax in the District when due.

Proposition 218 and Other Voter Initiatives

The California Constitution reserves the power of initiatives to the voters for the purposes of enacting amendments to the State Constitution and statutes. Any such initiatives may affect the collection of fees, taxes and other types of revenues by local agencies. Subject to overriding federal constitutional principles, an initiative affecting the collection of fees, taxes and other types of revenues by local agencies may materially impact the collection of Special Taxes in the District and, ultimately, their use in the payment of 2017 Bonds.

Since 1978, California voters have exercised the power of initiatives in numerous occasions. One measure that qualified for the ballot pursuant to California's constitutional initiative process is commonly referred to as the "Right to Vote on Taxes Act" ("Proposition 218"). Proposition 218 was approved by the voters of California at the November 5, 1996 general election. Proposition 218 added Article XIIC and Article XIID to the California Constitution. According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges."

Among other things, Section 3 of Article XIII states that ". . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act provides for a procedure, which includes a notice hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, a bill signed into law by the Governor of California enacting Government Code Section 5854, which states that:

"Section 3 of Article XIIC of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution."

Accordingly, although the matter is not free from doubt, it is likely that Proposition 218 has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the 2017 Bonds. It may be possible, however, for voters or the City Council, acting as the legislative body of the District, to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the 2017 Bonds but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Therefore, no assurance can be given with respect to the levy of Special Taxes for administrative expenses for the District. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely payment of the 2017 Bonds.

The provisions of Proposition 218 described above have not yet been interpreted by the courts, although a number of lawsuits have been filed requesting the courts to interpret various aspects of Proposition 218. Certain provisions of Proposition 218 may be examined by the courts for their constitutionality under both State and federal constitutional law in the future. The City cannot predict the outcome of such examination and the resulting effect, if any, on the levy and collection of the Special Tax in the District. The City cannot predict the impact of any future initiative that may affect the collection of fees, taxes and other types of revenues by local agencies.

Limitations on Remedies; No Acceleration

Remedies available to Owners of 2017 Bonds upon a payment or other default under the Fiscal Agent Agreement may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the 2017 Bonds or to preserve the tax-exempt status of interest on the 2017 Bonds. The Fiscal Agent Agreement will not provide for any acceleration of the payment of principal of or interest on the 2017 Bonds in the event of default in the payment of scheduled debt service on the 2017 Bonds or in the event interest on the 2017 Bonds becomes included in gross income for federal income tax purposes.

Investment of Funds

The Reserve Fund and all other funds held under the Fiscal Agent Agreement may only be invested in certain investment securities (“Permitted Investments”) as provided under the Fiscal Agent Agreement. See “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT – Definitions – *Permitted Investments*.” All investments, including Permitted Investments, authorized by law from time to time for investments by the City contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected, decline in market value and loss or delayed receipt of principal. The occurrence of these events with respect to amounts held and invested under the Fiscal Agent Agreement could have a material adverse effect on the security for the 2017 Bonds.

Loss of Tax Exemption

Compliance by the City. In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the 2017 Bonds, the City has covenanted in the Fiscal Agent Agreement to comply with the applicable requirements of Section 148 and certain other sections of the Internal Revenue Code of 1986, as amended, relative to arbitrage and avoidance of characterization as private activity bonds, among other things. The interest on the 2017 Bonds could become includable in gross income of the owners of the 2017 Bonds for purposes of federal income taxation retroactive to the date of issuance of the 2017 Bonds as a result of acts or omissions of the City in violation of such covenants under the Fiscal Agent Agreement. Should such an event of taxability occur, the 2017 Bonds are not subject to acceleration, redemption or any increase in interest rates and will remain Outstanding until maturity or until redeemed under one of the redemption provisions contained in the Fiscal Agent Agreement.

Future Legislation or Court Decisions. Legislation affecting the tax exemption of interest on the 2017 Bonds may be considered by the United States Congress and the State legislature. Federal and state court proceedings and the outcome of such proceedings could also affect the tax exemption of interest on the 2017 Bonds.

No assurance can be given that legislation enacted or proposed, or actions by a court, after the date of issuance of the 2017 Bonds will not have an adverse effect on the tax exemption of interest on the 2017 Bonds or the market value of the 2017 Bonds. Prospective purchasers of the 2017 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation.

IRS Audit of Tax-Exempt Bond Issues. The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both the random and tagged audits. It is possible that the 2017 Bonds will be selected for audit by the IRS. It is also possible that the market value of the 2017 Bonds might be affected as a result of such an audit of the 2017 Bonds (or by an audit of similar bonds).

See “CONCLUDING INFORMATION – Tax Matters.”

Secondary Market

There can be no assurance that there will be a secondary market for the 2017 Bonds, or if a secondary market exists, that the 2017 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or

terminated. Additionally, pricing of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could substantially differ from the original purchase price.

CONCLUDING INFORMATION

Absence of Litigation

To the best of the City's knowledge, there is no lawsuit or claim pending and notice of which has been received by the City, or otherwise known to the City to be threatened, against the City or the District seeking to restrain or to enjoin the issuance, sale or delivery of the 2017 Bonds, the application of the proceeds of the 2017 Bonds in accordance with the Fiscal Agent Agreement, the collection or application of the Special Tax to pay debt service on the 2017 Bonds, or in any way contesting or affecting the validity or enforceability of the 2017 Bonds or the Fiscal Agent Agreement, or contesting the powers of the City or the District or their authority with respect to the 2017 Bonds or their ability to perform their obligations under the Fiscal Agent Agreement.

Continuing Disclosure

The City has undertaken in a continuing disclosure certificate (the "Continuing Disclosure Certificate"), substantially in the form set forth in Appendix D, for the benefit of Owners and beneficial owners of the 2017 Bonds to provide certain financial information relating to the District by not later than nine months after the close of each fiscal year (which currently would be April 1, with the fiscal year ending on each June 30), commencing with the report for the 2016-17 fiscal year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in "APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE." The Continuing Disclosure Certificate will provide that, for the fiscal year 2016-17 annual report, the City will only have to file the financial statements for year ended June 30, 2017, and will not have to provide certain additional information pertaining to the District otherwise required for subsequent Annual Reports (as such fiscal year 2016-17 information is already included in this Official Statement). The Annual Report and notices will be filed by the City or The Bank of New York Mellon Trust Company, as the Dissemination Agent on behalf of the City, with the Municipal Securities Rulemaking Board (the "MSRB"), via its Electronic Municipal Market Access ("EMMA") system. This undertaking has been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) (the "Rule") promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Prior to the printing of this Official Statement, an independent examination of the City's continuing disclosure filings during the prior five year year period was conducted (the "Examination"). The Examination found that: *[to come]*

A failure by the City to comply with the provisions of the respective Continuing Disclosure Certificate is not an event of default under the Fiscal Agent Agreement (although the Owners and beneficial owners of the 2017 Bonds may have remedies at law and in equity). However, a failure to comply with the provisions of the Continuing Disclosure Certificate must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2017 Bonds. Therefore, a failure by the City or the Property Owner to comply with the provisions of its Continuing Disclosure Certificate may adversely affect the marketability of the 2017 Bonds on the secondary market.

Certain Legal Matters

The legality of the 2017 Bonds and certain other legal matters are subject to the approving opinion of Quint & Thimmig LLP, acting as Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix F of this Official Statement. Richards, Watson & Gershon, A Professional Corporation, has served as Disclosure Counsel. Certain other legal matters related to the 2017 Bonds will be opined upon on behalf of the City by Richards, Watson & Gershon, in its capacity as the City Attorney. Certain legal matters related to the 2017 Bonds have been passed upon for Stifel, Nicolaus & Company, Incorporated, as Underwriter, by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Underwriter's Counsel.

Municipal Advisor

The City has retained Fieldman, Rolapp & Associates, Inc., Irvine, California, as municipal advisor (the "Municipal Advisor") in connection with the issuance of the 2017 Bonds. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other securities public or otherwise.

Tax Matters

Federal tax law contains a number of requirements and restrictions which apply to the 2017 Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted in the Fiscal Agent Agreement to comply with all requirements that must be satisfied in order for the interest on the 2017 Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the 2017 Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2017 Bonds.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Bond Counsel, interest on the 2017 Bonds (i) is excludable from the gross income of the owners thereof for federal income tax purposes, and (ii) is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the 2017 Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the 2017 Bonds.

Ownership of the 2017 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax exempt obligations. Prospective purchasers of the 2017 Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the “Issue Price”) for each maturity of the 2017 Bonds is the price at which a substantial amount of such maturity of the 2017 Bonds is first sold to the public. The Issue Price of a maturity of the 2017 Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page of this Official Statement.

If the Issue Price of a maturity of the 2017 Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the 2017 Bonds (the “OID 2017 Bonds”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID 2017 Bond in the initial public offering at the Issue Price for such maturity and who holds such OID 2017 Bond to its stated maturity, subject to the condition that the City comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID 2017 Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID 2017 Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID 2017 Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID 2017 Bonds.

Owners of 2017 Bonds who dispose of 2017 Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2017 Bonds in the initial public offering, but at a price different from the Issue Price or purchase 2017 Bonds subsequent to the initial public offering should consult their own tax advisors.

If a 2017 Bond is purchased at any time for a price that is less than the 2017 Bond’s stated redemption price at maturity or, in the case of an OID 2017 Bond, its Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the “Revised Issue Price”), the purchaser will be treated as having purchased a 2017 Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a 2017 Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such treatment would apply to any purchaser who purchases an OID 2017 Bond for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such 2017 Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the 2017 Bonds.

An investor may purchase a 2017 Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an

investor on a constant yield basis over the remaining term of the 2017 Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the 2017 Bond. Investors who purchase a 2017 Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the 2017 Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 2017 Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the 2017 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the 2017 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the 2017 Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the 2017 Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the 2017 Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of tax exempt obligations, including the 2017 Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any 2017 Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any 2017 Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Bond Counsel, interest on the 2017 Bonds is exempt from California personal income taxes.

Ownership of the 2017 Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2017 Bonds. Prospective purchasers of the 2017 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Bond Counsel expects to deliver upon issuance of the 2017 Bonds is set forth in Appendix F.

Underwriting

Pursuant to a Bond Purchase Contract, by and between Stifel, Nicolaus & Company, Incorporated (the "Underwriter") and the City, for and on behalf of the District (the "Bond Purchase Contract"), the Underwriter has agreed, subject to certain conditions, to purchase the 2017 Bonds at a purchase price of \$_____ (which is equal to the principal amount of the 2017 Bonds, [plus/less] a net original issue

[premium/discount] of \$_____, and less an Underwriter's discount of \$_____). The Underwriter intends to offer the 2017 Bonds to the public initially at the prices set forth on the inside cover of this Official Statement, which prices may subsequently change without any requirement of prior notice to Owners of the 2017 Bonds.

No Rating

The City has not applied, and does not contemplate applying, to any rating agency for an assignment of a rating on the 2017 Bonds.

Miscellaneous

All summaries of the 2017 Bonds, the Fiscal Agent Agreement, the Rate and Method, the Mello-Roos Act and other applicable legislation, agreements and other documents in this Official Statement are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such legislation and such documents on file with the City for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the 2017 Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement has been duly authorized by the City Council of the City, acting in its capacity as the legislative body of the District.

CITY OF BREA, CALIFORNIA
for and on behalf of
CITY OF BREA COMMUNITY FACILITIES
DISTRICT NO. 2008-2
(BREA PLAZA AREA PUBLIC IMPROVEMENTS)

By: _____
City Manager

APPENDIX A

CITY OF BREA GENERAL INFORMATION

The following information in this Appendix is included only to provide general demographic and economic information regarding the City of Brea, California (the “City”). The information set forth in this Appendix has been obtained from sources that the City believes is reliable, but does not guarantee as to the accuracy or completeness. As discussed in the forepart of this Official Statement, the 2017 Bonds are not general obligations of the City, but are limited obligations of the City for the District, payable solely from the sources provided therefor in the Fiscal Agent Agreement.

Geography

The City encompasses 11.2 square miles and is located at the northern end of Orange County (the “County”), just south of the Los Angeles County line. It is approximately 25 miles southeast of downtown Los Angeles, 15 miles north of Santa Ana, the County Seat, and 22 miles inland of the Pacific Ocean. Neighboring communities include Fullerton, Placentia, La Habra and Yorba Linda.

Municipal Government

The City, a general law city, was incorporated in 1917, the eighth city in the County. The City has a Council-Manager form of municipal government. The City Council appoints the City Manager who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. The City Council is composed of five members elected every two years at large to four-year alternating terms. The Mayor is selected by the City Council from among its members. As of April 30, 2017, the City has approximately 293 full-time employees.

Population

The following table shows the estimated population growth for the City, the County and the State of California for the years shown.

**City of Brea
City, County and State Population Growth⁽¹⁾
Calendar Years 2000, 2010 and 2013-17**

Calendar Year	City of Brea	% Change from Prior Period	County of Orange	% Change from Prior Period	State of California	% Change from Prior Period
2000	35,176	--	2,831,799	--	33,721,583	--
2010	39,259	11.61%	3,008,855	6.25%	37,223,900	10.39%
2013	41,492	5.69	3,102,606	3.12	38,238,492	2.73
2014	42,473	2.36	3,127,083	0.79	38,572,211	0.87
2015	43,292	1.93	3,152,376	0.81	38,915,880	0.89
2016	43,606	0.73	3,172,152	0.63	39,189,035	0.70
2017	44,214	1.39	3,194,024	0.69	39,523,613	0.85

(1) As of January 1 of each year, with 2010 census benchmark.

Source: State of California Department of Finance.

City's Taxable Valuation

Below is a summary of the City's taxable valuation for the fiscal years set forth below. These figures are presented for historical comparison, with reference only to the time frame of the years shown.

City of Brea Assessed Values of All Taxable Property Fiscal Years 2011-12 through 2015-16

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property ⁽¹⁾	Total Taxable Assessed Value ⁽²⁾	Percent Change
2011-12	\$3,637,044,394	\$1,543,677,299	\$1,077,624,463	\$723,537,802	\$6,981,883,958	-0.51%
2012-13	3,805,741,803	1,544,954,532	1,145,495,173	682,982,424	7,179,173,932	2.83
2013-14	3,927,143,843	1,569,625,782	1,112,039,475	839,411,616	7,448,220,716	3.75
2014-15	4,377,268,712	1,580,151,775	1,167,513,932	826,734,462	7,951,668,881	6.76
2015-16	4,945,219,822	1,670,210,797	1,168,849,914	740,725,273	8,525,005,806	7.21

(1) Other property includes recreational, institutional, vacant, and miscellaneous property.

(2) Tax-exempt property is excluded from the total taxable assessed value.

Source: City of Brea Comprehensive Annual Financial Reports, for years ended June 30, 2016; based on information from Orange County Assessor.

Construction Activity

The table below shows the number of construction permits issued in the City and the related values for the years shown.

City of Brea Construction Permits Calendar Years 2012-2016

Calendar Year	# of Permits Issued	Percent Change	Estimated Valuation	Percent Change
2012	1,432	1.49%	\$80,508,094	62.81%
2013	1,768	23.46	74,193,160	-7.84
2014	2,189	23.81	101,885,541	37.32
2015	2,486	13.57	166,698,338	63.61
2016	2,117	-14.84	126,779,527	-23.95

Source: City of Brea Development Services Department.

The fluctuation in building permits issued often reflects large scale tract development which is cyclical and, given the City's size (approximately 11 square miles), occurs intermittently.

Employment

According to the State of California Employment Development Department, the August 2017 preliminary, estimated unemployment rates for the City, the County and the State were 4.1 percent, 4.2 percent and 5.1 percent, respectively. The following table shows certain employment statistics for the City and the County for calendar years 2012 through 2016.

**City of Brea
City, County and State Employment Statistics
Calendar Years 2012 through 2016⁽¹⁾**

Year	City			County	State
	Labor Force	Employed	Unemployment Rate	Unemployment Rate	Unemployment Rate
2011	21,000	19,200	8.7%	9.1%	11.7%
2012	21,300	19,700	7.6	7.9	10.4
2013	21,500	20,200	6.3	6.6	8.9
2014	21,800	20,600	5.3	5.5	7.5
2015	22,000	21,100	4.3	4.5	6.2
2016	22,200	21,300	3.9	4.0	5.4

(1) Not seasonally adjusted. March 2016 benchmark.

Source: State of California, Employment Development Department.

The following table lists the major employers within the City and their estimated number of employees.

**City of Brea
Top Ten Employers
as of June 30, 2016**

Company	Product or Service	Estimated No. of Employees
Bank of America	financial services	1,500
Mercury Insurance Group	insurance services	1,399
Beckmans Coulter, Inc.	manufacturing - biomedical instruments	1,200
Brea Olinda Unified School District	public agency	879
Kirkhill - TA Company	manufacturing - aircraft parts	709
Veterinary Pet Insurance Co.	insurance services	460
Albertson's, Inc.	retail – grocer	438
Bristol Industries	manufacturing - aircraft parts	400
Nordstrom Department Stores	retail	352
Peterson Brothers Construction	construction	300

Source: City of Brea Comprehensive Annual Financial Report for fiscal year ended June 30, 2016.

Median Household Income

The following table shows the annual per capita personal income for the County, the State and the United States for the years shown.

Orange County, California and the United States Median Household Income Calendar Years 2011 through 2015

Year	City	County	State	U.S.
2011	\$81,278	\$75,762	\$61,632	\$52,762
2012	82,055	75,566	61,400	53,046
2013	79,124	75,422	61,094	53,046
2014	81,857	75,998	61,489	53,482
2015	83,717	76,509	61,818	53,889

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates
(in 2015 Inflation-Adjusted Dollars).

Commercial Activity

The following table summarizes the annual volume of taxable transactions within the City for the calendar years shown.

City of Brea Taxable Transactions Calendar Years 2011 through 2015 (in Thousands of Dollars)

	2011	2012	2013	2014	2015 ⁽¹⁾
Retail and food services					
Motor vehicle and parts dealers	\$25,799	\$27,932	\$45,182	\$59,035	\$67,309
Home furnishings and appliances	49,616	51,740	59,143	58,504	57,973
Bldg matrl and garden equip and supplies	114,063	106,278	113,833	109,130	120,608
Food and beverage stores	39,974	41,187	43,479	44,995	46,580
Gasoline stations	97,613	102,184	101,912	95,707	81,127
Clothing and clothing accessories stores	273,813	287,305	293,004	290,140	296,032
General merchandise stores	206,210	203,886	204,457	204,562	204,043
Food services & drinking places	177,864	196,966	205,803	211,174	226,712
Other retail group	141,643	148,812	151,942	154,233	153,322
Subtotal⁽²⁾	\$1,126,594	\$1,166,290	\$1,218,754	\$1,227,480	\$1,253,706
All Other Outlets	445,635	469,349	487,873	488,917	534,145
All Outlets⁽²⁾	<u>\$1,572,228</u>	<u>\$1,635,639</u>	<u>\$1,706,627</u>	<u>\$1,716,397</u>	<u>\$1,787,851</u>

(1) Beginning in 2015, the outlet counts show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 are not comparable to that of prior years.

(2) Detail may not compute to total due to rounding.

Source: Compiled from data published by State of California Board of Equalization.

Transportation

The City is well served by area transportation routes. The Orange Freeway (State Highway 57), a major north-south corridor, crosses centrally through the City. The City is also within minutes of the Pomona Freeway (State Route 60), the Riverside Freeway (State Route 91) and the Santa Ana Freeway (Interstate 5). The City is close to several airports: Orange County Airport (17 miles from the City), Ontario Airport (25 miles from the City) and LAX (48 miles from the City). An Amtrak/Metrolink station located approximately five miles from the City provides passenger rail access. The Orange County Transportation Authority operates a regional bus system with routes that serves the City and other areas throughout the County.

Public Utilities

Electrical service is provided by Southern California Edison. Southern California Gas provides natural gas.

Water services are provided by the City's Water Department. The City's drinking water is a 50-50 blend of surface water imported by the Metropolitan Water District of Southern California and ground water imported from California Domestic Water Company in Whittier. Metropolitan's imported water sources are the Colorado River and the State Water Project, which draws water from the San Francisco-San Joaquin Bay Delta. California Domestic water originates from the San Gabriel Basin.

Sewer services are provided by the City's Maintenance Services Department, which maintains over 108 miles of sewer main lines. The sewer distribution system flows into Orange County Sanitation District trunk system until it is treated at their secondary treatment facility in Fountain Valley. Trash collection services are provided by the City through Brea Disposal, a private contractor.

Education

The City's students are served by the Brea Olinda Unified School District presided over by a separately elected board. The system includes six elementary schools, one junior high school, one high school and one alternative high school. Brea-Olinda High School has a professional performing arts center and complete athletic facilities. The City also has several private pre-schools, two Christian schools and a Roman Catholic school serving grades K-8. Colleges, universities and a number of technical and vocational schools are located in and around Brea. California State University, Fullerton College, Pacific Christian College, Hope University, an optometry school and a law school are located in nearby Fullerton, and the University of California at Irvine, Chapman College, and Cal Poly Pomona are within easy freeway access.

Community Facilities

St. Jude Medical Center in Fullerton and Placentia-Linda Hospital in Placentia are full-service hospitals that are located within five miles of the City.

The City maintains parks and recreation facilities within its boundaries. The Brea Community Services Department coordinates park activities and the City owns Brea Creek Golf Course, operated by the Chapman Investment Company in partnership with Billy Casper Golf.

The City has a senior and family resource center operated by the City with participation by charitable, non-profit corporations.

Public Safety

Law enforcement services are provided by the Brea Police Department which provides full services to the City. Fire services are provided by the Brea Fire Services Department, which has three fire stations and one annex located throughout the City.

Street and highway maintenance is provided for under the supervision of the City's Maintenance Services Department.

Building inspection and code enforcement services are provided by the City.

APPENDIX B

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

APPENDIX C

APPRAISAL

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

Upon issuance and delivery of the 2017 Bonds, Quint & Thimmig LLP, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

[Closing Date]

City of Brea, California
1 Civic Center Circle
Brea, California 92821

OPINION: \$_____ City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2017 Special Tax Refunding Bonds

Members of the City Council:

We have acted as bond counsel to the City of Brea, California (the “City”) in connection with the issuance of its \$_____ City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2017 Special Tax Refunding Bonds (the “Bonds”) pursuant to (a) Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, (b) the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 et seq., of the California Government Code) (the “Act”), (c) a Fiscal Agent Agreement, dated as of November 1, 2017 (the “Fiscal Agent Agreement”), by and between the City, for and on behalf of City of Brea Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) (the “District”), and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Fiscal Agent”), and (d) Resolution No. 2017-____ adopted by the City Council of the City on October 17, 2017 (the “Resolution”).

In connection with this opinion, we have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The City is a municipal corporation duly organized and existing under the laws of the State of California, with the power to adopt the Resolution, enter into the Fiscal Agent Agreement and perform the agreements on its part contained therein and issue the Bonds.
2. The Fiscal Agent Agreement has been duly entered into by the City and constitutes a valid and binding obligation of the City enforceable upon the City.
3. Pursuant to the Act, the Fiscal Agent Agreement creates a valid lien on the funds pledged by the Fiscal Agent Agreement for the security of the Bonds.
4. The Bonds have been duly authorized, executed and delivered by the City and are valid and binding limited obligations of the City for the District, payable solely from the sources provided therefor in the Fiscal Agent Agreement.

5. Subject to the City's compliance with certain covenants, interest on the Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes, and (ii) is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure by the City to comply with certain of such covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Resolution and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In rendering this opinion, we have relied upon certifications of the City and others with respect to certain material facts. Our opinion represents our legal judgment based upon such review of the law and facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX G

DTC'S BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City does not take any responsibility for the accuracy thereof. The City gives no assurances that (i) DTC, the Direct and Indirect Participants or others will distribute payments of principal, premium (if any) or interest with respect to the 2017 Bonds paid to DTC or its nominee as the registered owner, to the Beneficial Owners, (ii) such entities will distribute redemption notices or other notices, to the Beneficial Owners, or (iii) an error or delay relating thereto will not occur.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2017 Bonds. The 2017 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2017 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2017 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2017 Bonds, except in the event that use of the book-entry system for the 2017 Bonds is discontinued.

To facilitate subsequent transfers, all 2017 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2017 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMD Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any) and interest payments on the 2017 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Fiscal Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the City or the Fiscal Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any) and interest payments with respect to the 2017 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Fiscal Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2017 Bonds at any time by giving reasonable notice to the City or the Fiscal Agent. Under such circumstances, in the event that a successor depository is not obtained, 2017 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2017 Bond certificates will be printed and delivered in accordance with the provisions of the Fiscal Agent Agreement.

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/17/2017

SUBJECT: Extension of Interim Ordinance no. 1190 – An interim ordinance of the City Council of the City of Brea, prohibiting all commercial non-medical cannabis activity and uses in the city, including outdoor cultivation on private residences and declaring the urgency thereof.

RECOMMENDATION

Conduct a Public Hearing to approve Ordinance No. 1197, an extension of Interim Ordinance No. 1190 for one (1) year or until repealed pursuant to California Government Code Section 65858(b), and approve the issuance of the Section 65858(d) report describing the measures taken to alleviate the condition which led to the adoption of the ordinance.

BACKGROUND/DISCUSSION

On November 1, 2016, the City Council approved Interim Ordinance No. 1189, which prohibited all commercial non-medical marijuana uses in the City, including deliveries, and outdoor cultivation at private residences. The interim ordinance was enacted to ensure protection of the public health, safety and welfare related to the potential passage of State Proposition 64. This ordinance was effective for 45 days and in effect until December 16, 2016.

On November 8, 2016, California voters approved Proposition 64, otherwise known as the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA) which allows for the non-medical use of cannabis statewide as well as personal and commercial cultivation, while preserving local control to prohibit and/or regulate commercial uses, activities, and all outdoor cultivation.

On December 6, 2016, the City Council approved Interim Ordinance No. 1190 which extended the prohibitions in Interim Ordinance No. 1189 for an additional ten (10) months and fifteen (15) days as permitted by Government Code 65858(a), in order to provide additional time needed for staff to review and consider all information, timing and aspects of the AUMA, and analyze the information. Interim Ordinance No. 1190 is in effect until October 31, 2017.

Staff has completed preparation of a draft permanent ordinance. The Planning Commission is scheduled to consider the matter on October 24, 2017. The City Council will likely consider the permanent ordinance in November. There will be a small gap between the expiration of Interim Ordinance No. 1190 and when permanent ordinance takes effect. To ensure continued protection during this short “gap” period, staff recommends that the City Council extend the prohibitions in Interim Ordinance No. 1190 for a year or until repealed by a new ordinance.

As required by Government Code 65858(d), at least ten (10) days prior to the expiration of the current interim ordinance, the Council must issue a report describing the measures taken to alleviate the conditions which led to the adoption of that interim ordinance. This staff report and more specifically the following discussion serves as the Section 65858(d) report:

Since adoption of the interim ordinance on December 6, 2016, City staff and the City Attorney have been engaged in research and analysis related to potential commercial non-medical uses and outdoor cultivation of marijuana in residences in the City, in order to evaluate the land use and other implications of the new State regulations. This initial research has included:

1. Review of the approaches being considered by other local governments, including whether commercial non-medical marijuana uses should be permitted, regulated, or prohibited;
2. Review of potential conflicts between federal and state statutes as well as consideration of court decisions associated with the regulation or prohibition of non-medical marijuana uses; and
3. Review of potential for direct and secondary adverse impacts of non-medical marijuana uses as reported by other jurisdictions and law enforcement agencies.

The current interim ordinance was adopted to allow staff sufficient time to analyze the new law related to Proposition 64 to determine the appropriate City response. Pursuant to State Law, the interim prohibition adopted by the City Council on December 16, 2016 will expire on October 31, 2017 unless further extended. Since it is infeasible for the adoption of permanent regulations to be completed by October 31, 2017, it is recommended that the City Council extend the prohibitions in Interim Ordinance No. 1190 for an additional year, or until repealed by a permanent ordinance. Consideration of a permanent ordinance is scheduled before the Planning Commission on October 24th and staff anticipates that adoption of a new ordinance will be completed prior to January 1, 2018.

Consistent with California Government Code Section 65858(c), the proposed interim ordinance contains a finding that there is a current and immediate threat to the public health, safety, or welfare, and that the approval of additional permits or entitlements for commercial marijuana uses and activities would increase that threat to public health, safety, or welfare. This action also approves the issuance of the Section 65858(d) written report describing the measures taken to alleviate the condition which led to the adoption of the Interim Ordinance No. 1190.

ENVIRONMENTAL REVIEW

Pursuant to Sections 15305 ("Minor Alterations in Land Use Limitations"), and 15061(b)(3) ("General Rule" exemption) of the Guidelines for the implementation of the California Environmental Quality Act (CEQA) of 1970, as amended, the adoption of the zoning ordinance amendments contemplated by the proposed ordinance (the "Project") is exempt from environmental review as there is no possibility that the Project would have a significant effect on the environment given that the proposed amendments simply continue existing prohibitions on the outdoor cultivation of marijuana, and other marijuana activities, in the City.

FISCAL IMPACT/SUMMARY

No fiscal impact anticipated.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Maribeth Tinio, Senior Planner

Concurrence: Jennifer Lilley, City Planner

Attachments

Ordinance 1197

ORDINANCE NO. 1197

AN INTERIM ORDINANCE OF THE CITY OF BREA PROHIBITING ALL COMMERCIAL NON-MEDICAL CANNABIS ACTIVITY IN THE CITY, PROHIBITING OUTDOOR CANNABIS CULTIVATION ON PRIVATE RESIDENCES AND DECLARING THE URGENCY THEREOF

WHEREAS, the Control, Regulate and Tax Adult Use of Marijuana Act (“Proposition 64” or “AUMA”), was adopted by the voters on November 8, 2016. As adopted, Proposition 64 legalizes the use of non-medical cannabis for those who are 21 years of age or older and establishes a comprehensive system to regulate commercial non-medical cannabis activity.

WHEREAS, Proposition 64 permits cities to (1) adopt and enforce local ordinances to regulate non-medical cannabis businesses, including, but not limited to, ordinances imposing local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to secondhand smoke, or (2) completely prohibit the establishment or operation of any or all types of cannabis businesses within its jurisdiction.

WHEREAS, on November 1, 2016, the City Council approved Interim Ordinance No. 1189, which prohibits all commercial non-medical cannabis uses in the City, including deliveries, and all outdoor cultivation. The interim ordinance was enacted to ensure protection of the public health, safety and welfare related to the potential passage of State Proposition 64 before it became effective November 9, 2016.

WHEREAS, on December 6, 2016, the City Council approved Interim Ordinance No. 1190, which prohibits all commercial non-medical cannabis uses in the City, including deliveries, and all outdoor cultivation. The interim ordinance was enacted to ensure protection of the public health, safety and welfare related to the passage of State Proposition 64 which became effective November 9, 2016.

WHEREAS, Proposition 64 allows for the planting, cultivation, harvesting, drying and processing (“cultivation activities”) of up to six cannabis plants in, or upon the grounds of, a private residence. Proposition 64 authorizes a city to enact and enforce an ordinance that reasonably regulates private cultivation activities, and to completely prohibit cultivation activities outdoors upon the grounds of a private residence unless the California Attorney General determines that non-medical use of cannabis is lawful in the State under federal law.

WHEREAS, the Federal Controlled Substances Act, 21 U.S.C. § 801, et seq., classifies marijuana as a Schedule 1 Drug, which is defined as a drug or other substance that has a high potential for abuse, that has no currently accepted medical use in treatment in the United States, and that has not been accepted as safe for use

under medical supervision. The Federal Controlled Substances Act makes it unlawful under federal law for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute or dispense, marijuana.

WHEREAS, on June 27, 2017, the Governor signed into law Senate Bill 94 which created a single regulatory scheme for both medical and non-medical cannabis known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"). The MAUCRSA retains the provisions of Assembly Bill No. 243, Assembly Bill No. 266, and Senate Bill 643 into law, which were collectively known as the Medical Cannabis Regulation and Safety Act, and the AUMA that granted local jurisdictions control over whether commercial cannabis activity can occur in a particular jurisdiction. Specifically, California Business and Professions Code section 26200 provides that the MAUCRSA shall not be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances that completely prohibit the establishment or operation of one or more businesses licensed under the State, within that local jurisdiction. Furthermore, the MAUCRSA provides that a State licensing authority shall not approve an application for a State license for a business to engage in commercial cannabis activity if approval of the State license will violate the provisions of any local ordinance or regulation. The MAUCRSA requires that a State licensing authority begin issuing licenses to cannabis businesses beginning January 1, 2018. The MAUCRSA also requires that a city provide a copy of its ordinance regarding commercial cannabis activity to the Bureau of Cannabis Control. Prior references to "marijuana" in the specific legislation, bills, and Acts referred to herein, are now referenced to in the MAUCRSA and in this Interim Ordinance as "cannabis."

WHEREAS, cities in California have reported negative effects of cannabis cultivation, processing and distribution activities, including offensive odors, illegal sales and distribution of cannabis, trespassing, theft, violent robberies and robbery attempts, fire hazards, and problems associated with mold, fungus, and pests. Furthermore, as cannabis plants begin to flower, and for a period of two months or more, the plants produce a strong, unique odor, offensive to many people, and detectable far beyond property boundaries if grown outdoors. This odor can have the effect of encouraging theft by alerting persons to the location of the valuable plants, and creating a risk of burglary, robbery or armed robbery of the plants and creating the potential for violent acts related to such criminal activity.

WHEREAS, based on the foregoing, the City Council finds that there is a current and immediate threat to the public health, safety and welfare presented by the passage of Proposition 64 enacted by the voters, because cannabis can now be cultivated outdoors in the absence of local regulation. Furthermore, Proposition 64 has created the potential for commercial non-medical cannabis uses to be established in the City prior to the establishment of permanent zoning regulations under normal planning and zoning processes. Ordinance No. 1190 is in effect until October 31, 2017. Staff is completing its preparation of a permanent ordinance prohibiting commercial cannabis uses and activities. However, there will be a small gap between the expiration of Interim Ordinance No. 1190 and when the permanent ordinance takes effect. To ensure continued protection during this short "gap" period, staff recommends that the City

Council extend the prohibitions contained in Interim Ordinance No. 1190 for a year or until repealed by a new ordinance. Therefore, the City Council finds that the immediate preservation of the public health, safety and welfare requires that this interim Ordinance be enacted as an urgency ordinance pursuant to Government Code Section pursuant to Government Code Section 65858 and take effect immediately upon adoption, and its urgency is hereby declared.

WHEREAS, all legal prerequisites to the adoption of this Ordinance have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BREA DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The City Council finds that the facts set forth in the Recitals of this Ordinance are true and correct.

Section 2. Definitions. Hereinafter in this Ordinance the following words shall have the meanings set forth below, unless the context otherwise permits or requires:

“AUMA” refers to the Control, Regulate and Tax Adult Use of Marijuana Act.

“Commercial non-medical cannabis activity” shall include the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, delivery or sale of cannabis and cannabis products for non-medical purposes.

“Cultivation” shall have the same meaning as set forth in the AUMA and shall include any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

“Delivery” shall mean the commercial transfer of cannabis or cannabis products to a customer. Delivery also includes the use by a retailer of any technology platform.

“Cannabis” shall have that meaning set forth in the AUMA and shall include all parts of the plant *Cannabis sativa linnaeus*, *Cannabis indica*, or *Cannabis ruderalis*., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin. It does not include (a) industrial hemp, as defined in Section 11018.5 of the Health and Safety Code; (b) the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product; and (c) cannabis that is cultivated, processed, transported, distributed, or sold for medical purposes under Chapter 3.4 of Division 8 of the Business and Professions Code.

“Proposition 64” refers to the AUMA.

Section 3. Prohibition. Commercial non-medical cannabis activity is expressly prohibited in all zones and all specific plan areas in the City of Brea. No person shall

establish, operate, maintain, conduct or allow commercial non-medical cannabis activity anywhere within the City. No application for a building permit, conditional use permit, business license, or any other entitlement authorizing the establishment, operation, maintenance, development, or construction of any use that allows for commercial non-medical cannabis activity shall be approved during the term of the prohibition established in this Ordinance.

- A. Paragraph A of this section 3 is meant to prohibit all activities for which a State license is required pursuant to the AUMA. Accordingly, the City shall not issue any permit, license or other entitlement for any activity for which a State license is required under the AUMA. The City shall also not issue any local license to a non-profit pursuant to provisions of Business and Professions Code Section 26070.5.
- B. Cannabis shall not be cultivated outdoors upon the grounds of a private residence. Indoor cannabis cultivation is allowed consistent with State law which permits no more than six live cannabis plants to be planted, cultivated, harvested, dried, or processed within a single private residence or inside an accessory structure located upon the grounds of a private residence that is fully enclosed and secured. Any cannabis cultivation that exceeds the limits set forth in this subsection is hereby declared to be unlawful and a public nuisance.
- C. Nothing in this Ordinance, or its adoption, shall be deemed to affect any other prohibitions or regulations relating to marijuana or cannabis contained in the Brea City Code, including, but not limited to, the provisions of Chapter 20.70. In the event of any conflict between that Chapter and this Ordinance, the most restrictive provision shall govern. Nothing in this Ordinance shall be deemed to affect or excuse any violation of Chapter 20.70 of the Brea City Code.

Section 4. The City heretofore adopted its Ordinance No. 1183 which, among other things, enacted Brea City Code Section 20.70.030.D and prohibits all cultivation of cannabis. Due to the passage of the AUMA, indoor cannabis cultivation is now allowed consistent with State law which permits no more than six live cannabis plants to be planted, cultivated, harvested, dried, or processed within a single private residence or inside an accessory structure located upon the grounds of a private residence that is fully enclosed and secured. Based on the passage of the AUMA, subsection “D” of Section 20.70.030 of the Brea City Code, is hereby amended to read as follows:

“D. Cultivation of cannabis for commercial or non-commercial purposes, including outdoor cultivation by a qualified patient or a primary caregiver, is expressly prohibited in all zones and all specific plan areas in the City of Brea. The foregoing prohibition does not apply to indoor cultivation of no more than six live, cannabis plants within a single private residence or inside an accessory structure located upon the grounds of a private residence that is fully enclosed and secured, provided such

cultivation does not constitute a ‘commercial non-medical cannabis activity’ as defined herein, and is otherwise permitted by State law.”

Section 5. Nothing in this Ordinance shall be interpreted to the effect that the City’s permissive zoning scheme allows any other use not specifically listed therein.

Section 6. Public Nuisance. Any use or condition caused, or permitted to exist, in violation of any provision of this Ordinance shall be, and hereby is declared to be, a public nuisance and may be summarily abated by the City pursuant to Code of Civil Procedure Section 731 or by any other remedy available to the City.

Section 7. Penalty. Violation of any provision of this Ordinance shall constitute a misdemeanor and shall be punishable by a fine not to exceed one thousand dollars (\$1,000) or by imprisonment for a period not to exceed six (6) months, or by both such fine and imprisonment. Each and every day such a violation exists shall constitute a separate and distinct violation of this Ordinance.

Section 8. Civil Penalties. In addition to any other enforcement permitted by this Ordinance, the City Attorney may bring a civil action for injunctive relief and civil penalties against any person or entity that violates this Ordinance. In any civil action brought pursuant to this Ordinance, a court of competent jurisdiction may award reasonable attorneys’ fees and costs to the prevailing party.

Section 9. CEQA. It can be seen with certainty that there is no possibility that the adoption of the Interim Ordinance may have a significant effect on the environment because the Interim Ordinance will only impose greater and temporary limitations on cannabis-related uses allowed in the City, and will thereby serve to prevent potentially significant adverse environmental impacts. The City Council has reviewed staff’s determination of exemption and based on its own independent judgment, concurs in staff’s determination that the Interim Ordinance is exempt from CEQA. The adoption of the Interim Ordinance is therefore not subject to the California Environmental Quality Act review pursuant to Title 14, Chapter 3, Section 15061(b)(3) of the California Code of Regulations. Adoption of this Interim Ordinance is also eligible for a Class 5 categorical exemption for minor changes in land use limitations with an average slope of less than 20% that do not result in any changes in land use or density. Since the project is prohibiting all commercial cannabis uses, it will not result in changes in land use or density and will not have a significant environmental impact. The project is therefore also exempt from the environmental review requirements of CEQA pursuant to Section 15305 of Title 14 of the California Code of Regulations.

Section 10. Severability. If any section, subsection, subdivision, sentence, clause, phrase or portion of this Ordinance, is for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section,

subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

Section 11. Urgency Ordinance. This Ordinance is adopted as an urgency, interim ordinance and shall take effect immediately. This Ordinance shall expire, and the prohibition established hereby shall terminate, one (1) year after the date of adoption or until repealed.

Section 12. The City Clerk shall certify as to the adoption of this Ordinance.

PASSED, APPROVED, AND ADOPTED this 17th day of October, 2017.

Cecilia Hupp, Mayor

ATTEST:

Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Brea, held on the 17th day of October, 2017, and was finally passed at a regular meeting of the City Council of the City of Brea on the 17th day of October, 2017, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAINED: COUNCIL MEMBERS:

DATED: _____

Lillian Harris-Neal, City Clerk

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
FROM: Bill Gallardo, City Manager
DATE: 10/17/2017
SUBJECT: October 3, 2017 City Council Regular Meeting Minutes - Approve.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager
Prepared by: Lillian Harris-Neal, City Clerk

Attachments

Minutes

DRAFT

BREA CITY COUNCIL SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY MEETING

MINUTES October 3, 2017

GENERAL SESSION
7:00 p.m. - Council Chamber
Plaza Level

CALL TO ORDER/ ROLL CALL - COUNCIL

Mayor Pro Tem Parker called the General Session to order at 7:02 p.m., all members were present except for Mayor Hupp.

Present: Parker, Marick, Simonoff, Vargas

Absent: Hupp

1. Pledge of Allegiance

Brea Boy Scout Troop 801 led the Pledge of Allegiance.

2. Invocation

Pastor Kirk Randolph, Southlands Brea, led the invocation.

3. Community Announcements

Council Member Marick announced that Fall is the perfect time to Experience Brea Art. Leading off the new Curtis Theatre season is Charles Phoenix's Retro Disneyland Slide Show on October 14 and 15, followed by *Tales from the Canyon*, *The Olinda Story* (a Centennial Legacy project) on the weekends from November 3-12. There's still time to register for Brea Youth Theatre/Stagelight Productions' *Joseph and the Amazing Technicolor Dreamcoat* on stage in January. Visit CurtisTheatre.com for more information. She also announced that the 49th annual Watercolor West Exhibition is opening at the Brea Gallery, October 14 and running until December 17. Don't miss this juried collection of watercolor masters from across the globe. For more information, visit BreaGallery.com.

Council Member Simonoff announced that Brea's Senior Center hosts their annual Health Fair and Flu Clinic on October 13 between 9:00 a.m. and 12:30 p.m. Get event details at BreaSeniorCenter.com. He also announced that The Brea Resource Center will host a Halloween Costume Exchange on Saturday, October 14, from 9 until 11 a.m. Donate gently used costumes through October 12. Then, come back on Saturday and pick out something different for this year! Call 714-990-7150 for information. Lastly, he announced that there is still time to purchase tickets for the Brea Centennial Gala on October 21. Dress up, dine, be entertained and celebrate Brea's history. For more information, please visit CityofBrea.net.

Council Member Vargas announced that residents should mark their calendars for Saturday, November 11 and help Brea recognize veterans, as well as honor those who have paid the ultimate sacrifice for their country. The annual Veteran's Day ceremony starts at 10:00 a.m. at the Brea War Memorial in front of the Brea Civic & Cultural Center.

4. Matters from the Audience

Bill Hall thanked Council and city staff who attended the State of the Schools Breakfast, discussed the Orange County Strategic Plan for Aging, and asked if the City of Brea will be participating.

Sean Thomas conveyed support for federal assistance to Puerto Rico.

Leo Garcia, Birch Hills Golf Course Food and Beverage Manager, and resident Daniel Henderson discussed the Birch Hills Golf Course Tournament and other activities to provide relief for those affected by the recent hurricanes.

5. Response to Public Inquiries - Mayor / City Manager

Mayor Pro Tem Parker and City Manager Gallardo responded to public inquiries.

PUBLIC HEARINGS - *This portion of the meeting is for matters that legally require an opportunity for public input. Audience participation is encouraged and is limited to 5 minutes per speaker.*

6. Transferring and Granting a Pipeline Franchise to Matrix Investments, L.P.

City Engineer Kooyman provided a background of the pipeline franchise.

Mayor Pro Tem Parker opened the public hearing.

Hearing no testimony, Mayor Pro Tem Parker closed the public hearing.

In response to Council Member Vargas' questions, City Engineer Kooyman noted that the City does not have a gas and oil expert on staff, however, the Fire Marshall could be consulted for safety concerns of the pipelines.

Motion was made by Council Member Simonoff, seconded by Council Member Marick to Introduce **Ordinance 1195** by Title Only, and Waive Further Reading.

AYES: Mayor Pro Tem Parker, Council Member Marick, Council Member Simonoff, Council Member Vargas

Other: Mayor Hupp (ABSENT)

Passed

7. Transferring and Granting a Pipeline Franchise to Torrance Pipeline Company, LLC

City Engineer Kooyman provided a background of the pipeline franchise.

Mayor Pro Tem Parker opened the public hearing.

Hearing no testimony, Mayor Pro Tem Parker closed the public hearing.

Motion was made by Council Member Simonoff, seconded by Council Member Vargas to Introduce **Ordinance 1196** by Title Only, and Waive Further Reading.

AYES: Mayor Pro Tem Parker, Council Member Marick, Council Member Simonoff, Council Member Vargas

Other: Mayor Hupp (ABSENT)

Passed

ADMINISTRATIVE ITEM - *This agenda category is for City Council consideration of a wide variety of topics related to the City's operations. Public comments regarding items in this section should be presented during "Matters from the Audience."*

8. Ordinance Adding Chapter 14.06 of the City of Brea Municipal Code by Setting Forth an Expedited, Streamlined Permitting Process for Electric Vehicle Charging Stations as Required by AB 1236

Motion was made by Council Member Simonoff, seconded by Council Member Vargas to Adopt **Ordinance 1194** for Second Reading and Waive Further Reading.

AYES: Mayor Pro Tem Parker, Council Member Marick, Council Member Simonoff, Council Member Vargas

Other: Mayor Hupp (ABSENT)

Passed

CONSENT CALENDAR - *The City Council/Successor Agency approves all Consent Calendar matters with one motion unless Council/Agency or Staff requests further discussion of a particular item. Items of concern regarding Consent Calendar matters should be presented during "Matters from the Audience."*

CITY COUNCIL - CONSENT

9. September 6, 2017 Joint City Council and Planning Commission Special Meeting Minutes

The City Council Approved the September 6, 2017 Joint City Council and Planning Commission Special Meeting Minutes.

10. September 19, 2017 City Council Regular Meeting Minutes

The City Council Approved the September 19, 2017 City Council Regular Meeting Minutes.

11. The Road Repair and Accountability Act (RRAA) of 2017, Local Streets and Roads Funding Annual Reporting Guidelines - The City Council: 1) Approved the City Manager or his Designee to Submit a Project List to the California Transportation Commission for the New SB1 Road Maintenance Rehabilitation Account Funds; and 2) Approved **Resolution 2017-064** Amending the Capital Improvement Program Budget for the Cliffwood Industrial Park Pavement Rehabilitation Project 7317.

12. Amendment to Agreement with Minako Construction for Removal and Replacement of Sidewalks, Curbs, and Gutters

The City Council Approved the Amendment with Minako America Corporation dba Minco Construction.

13. Amendment No. 1 to Cooperative Agreement between the City of Brea and Caltrans for the Highway 57/Lambert Road Interchange Project, Project 7251

The City Council Approved Amendment No. 1 to the Cooperative Agreement Between the City of Brea and Caltrans and Authorized the City Manager to Execute Amendment No. 1. This Action Modifies the Current Agreement with Caltrans Reflecting That the City is the Lead Agency on the Acquisition of Property for this Project and Not Caltrans as Identified in the Current Agreement.

14. Environmental and Pre-Acquisition Work for the Western Extension to The Tracks at Brea Trail

The City Council Approved the Professional Services Agreement with JMD Planning and Engineering and Additional Appropriations to Provide Engineering and Environmental Documents for the Potential Western Extension of The Tracks at Brea Trail.

15. Treasurer's Report for the City of Brea for Period Ending August 31, 2017

Received and Filed.

16. September 22 and 29, 2017 City Check Registers

The City Council Approved the September 22 and 29, 2017 City Check Registers.

Motion was made by Council Member Simonoff, seconded by Council Member Vargas to Approve Consent Calendar Items 9-16.

AYES: Mayor Pro Tem Parker, Council Member Marick, Council Member Simonoff, Council Member Vargas

Other: Mayor Hupp (ABSENT)

Passed

CITY/ SUCCESSOR AGENCY - ADMINISTRATIVE ITEM

17. Approve the Official Statement Relating to the Issuance and Sale of Tax Allocation Refunding Bonds to Refinance Outstanding 2003 and 2011 Bonds of the Former Brea Redevelopment Agency Relating to Project Area AB, and Approving Related Matters and Official Actions

Financial Services Manager Squire provided a background; noted that property tax revenues have increased but may change during the selling of the bonds; clarified that the City of Brea has no liability for the payment of the 2017 refunding bonds; explained that the issuance of the bonds provide the last step before the Successor Agency files the Last and Final Recognized Obligation Payment Schedule subject to approval by the California Department of Finance; and indicated that these refunding bonds will provide access to about \$5.2 million in bond proceeds which have been pledged toward the funding of the downtown parking structure.

Council Member Simonoff conveyed his satisfaction with the increase in funds to the City's General Fund.

Motion was made by Council Member Simonoff, seconded by Council Member Vargas to Adopt **Resolution SA 2017-11.**

AYES: Mayor Pro Tem Parker, Council Member Marick, Council Member Simonoff, Council Member Vargas

Other: Mayor Hupp (ABSENT)

Passed

CITY/ SUCCESSOR AGENCY - CONSENT

18. Treasurer's Report for the Successor Agency to the Brea Redevelopment Agency for Period Ending August 31, 2017

Received and Filed.

Motion was made by Council Member Vargas, seconded by Council Member Simonoff to Approve City/SA Consent Item 18.

AYES: Mayor Pro Tem Parker, Council Member Marick, Council Member Simonoff, Council Member Vargas

Other: Mayor Hupp (ABSENT)

Passed

ADMINISTRATIVE ANNOUNCEMENTS

19. City Manager

None.

20. City Attorney
None.

COUNCIL ANNOUNCEMENTS

Council Member Vargas announced that he will be participating in the Birch Hills Golf Course fundraisers to support those affected by the hurricanes.

ADJOURNMENT

Mayor Pro Tem Parker adjourned the General Session at 7:36 p.m., in memory of those who passed away and were injured in Las Vegas on Sunday, October 1, 2017.

Respectfully submitted,

The foregoing minutes are hereby
approved this 17th day of October 2017.

Lillian Harris-Neal, City Clerk

Glenn Parker, Mayor Pro Tem

City of Brea

COUNCIL COMMUNICATION

FROM: Bill Gallardo, City Manager

DATE: 10/17/2017

SUBJECT: June 14, 2017 and September 13, 2017 Cultural Arts Commission Meeting
Minutes - Receive and File.

Attachments

June 14 Meeting Minutes

September 13 Special Joint Meeting Minutes

CULTURAL ARTS COMMISSION

Minutes of Regular Meeting of June 14, 2017

The Regular Meeting of the Cultural Arts Commission was called to order by Chair Donini at 5:30 p.m.

ROLL CALL

Chair, Tom Donini; Vice Chair, Yuka Ogino; and Commissioners, Judy Randlett and Ben Schultz. Commissioner, Rob Grosse, was absent.

STAFF PRESENT

Carrie Hernandez, Community Services Manager; Sean L. Matlock, Deputy Director/Community Services Manager; Tiina Mittler, Theatre Manager; Jenn Colacion, Community Services Specialist; Cindie Ryan, Communications and Marketing Manager; Lenore Sommers, Executive Assistant; and Jaime Martin, Administrative Clerk II.

PLEDGE OF ALLEGIANCE

Commissioner Randlett

INVOCATION

Commissioner Schultz

APPROVAL OF MINUTES

Minutes of the Regular Meeting of April 12, 2017, were approved as submitted.

INFORMATIONAL/PROJECT UPDATES

Ms. Hernandez announced that Ms. Sommers will be retiring on June 29 and extended an invitation to Ms. Sommer's upcoming retirement party. Ms. Sommers introduced Ms. Martin, who has been working with her on Commission matters and will be handling projects until a permanent replacement has been appointed. Ms. Sommers was thanked for her years of service and informed that she will be missed.

Mr. Matlock asked the Commission to save the date of June 22, 2017, for a special City Council meeting when the Envisions Committee will be walking the Council through the Brea Envisions effort, sharing with them the draft report and the outcome of the validation survey.

Mr. Matlock also presented the Centennial Parade and Picnic video recap, which was followed by the Angels Game promotional video. Mr. Matlock asked Commissioners to share the video with friends and family, encouraging them to purchase tickets. He also reported that an 18-person suite was included with the City's ticket package and that the Centennial Steering Committee voted to give it to low-income families who will be selected with the assistance of the Brea Resource

Center. In addition, he reported that funds were collected at the Mayor's Prayer Breakfast that will be used to pay for parking, food and memorabilia for the selected families

MATTERS FROM THE AUDIENCE

None

ACTION

2017/18 Curtis Theatre Season Offerings

Using PowerPoint, Ms. Mittler presented the 2017/18 Curtis Theatre season to Commissioners and stated that the Theatre Subcommittee reviewed the proposed 2017/18 season and supported the recommendations. She reviewed each show, providing their background and indicating why they were chosen. She also reported that the Theatre is achieving a regional draw and that the season has the potential of attracting an estimated 14,500 visitors to Brea. Chair Donini added that it was good to be a part of the process and that he found the "Why the Curtis" description in the season proposal very helpful.

MOTION: Schultz

SECOND: Ogino

That the Cultural Arts Commission support the proposed 2017/18 Curtis Theatre Season as outlined. It is understood that should a performer not be available or a show later be determined financially unacceptable, the show may be replaced with another show with the assistance and input of the Theatre Subcommittee.

AYES: Donini, Randlett, Schultz, Ogino

NOES: None

ABSENT: Grosse

DISCUSSION

(Due to Time Constraints, the Following Item was Taken Out of Order)

Social Media

Ms. Hernandez addressed what staff can and cannot do on the *Next Door* application and then deferred to Ms. Ryan. Ms. Ryan provided a brief history of the *Next Door* application along with the City's policy of what information the City is allowed to give out indicating that the City only wants to facilitate what is being put up and that it is not used for promotional purposes, individuals can post whatever they want, the City has nothing to do with individual's postings. Commissioner Schultz indicated that he agrees with the City's policies and reminded Commissioners that when they post, they should post as an individual neighbor and not as a Commissioner.

Ms. Ryan advised that Communication & Marketing is in charge of all department Social Media sites which include Facebook, Instagram, YouTube, and Snapchat. She explained that Social Media accounts are used for marketing purposes and that the different departments cross post for City-wide events. Ms. Ryan advised that there is also a way to boost one's posts and shared stats of how boosting one's post can increase the numbers.

Ms. Mittler shared with the Commissioners what sites the Curtis Theater uses and how these have boosted their audience numbers.

Ms. Hernandez shared what accounts the Brea Gallery uses and how these sites have drawn in more crowds for their shows.

Site Awareness

Providing an update on the Site Awareness project, Ms. Hernandez reminded Commissioners that a presentation was made to City Council in September at which time they offered their full support. Commissioner Schultz presented the proposed design ideas for the Curtis Theatre and Brea Gallery canopies indicating his preference for different colors with Chair Donini and Vice Chair Ogino indicating their preference for the canopies to be uniform. Consensus was reached to rely on staff for the final decision keeping in mind that the goal is to have them finished before Brea Fest on August 18.

Commissioner Schultz also shared the proposed design for the elevator signs. Concern was expressed that there might be too much data and their placement and frequency of change were also questioned.

Finally, Ms. Hernandez presented the proposed designs for the west wall. Chair Donini suggested that staff relook at the colors and associate them with the program's description. Commissioner Schultz proposed that staff move forward with the layout and lettering, perhaps with slight modifications to the color schemes. Ms. Hernandez advised that staff will look into a different color scheme. Commissioners again reached consensus that they would rely on staff for the final decision, indicating that staff should move forward.

(Because of a prior commitment, Commissioner Schultz left the meeting)

Council Meetings

Ms. Hernandez briefly reviewed potential dates for Commissioners to address City Council at upcoming meetings in 2017. Rather than monthly, it was proposed that Commissioners attend Council meetings on a quarterly basis with August and October meetings suggested. Chair Donini will work with Commissioners on their availability.

An Evening of Latin Jazz featuring Cuba L.A.

Chair Donini indicated that the music was exceptional and that he really enjoyed it. He stated that Ms. Mittler's presence at each show was a great touch and well received by the audience. He encouraged her to continue attending.

Made in California

In Ms. Mercer's absence, Ms. Hernandez shared numbers from the opening reception for *Made in California* reporting that more than \$2,500 was awarded in cash prizes. She indicated that many artists commented positively on the Gallery remodel. Commissioner Randlett added that she thought the set-up outside on the plaza was great since more people could participate than when it was held inside the Gallery.

Centennial Update

Ms. Hernandez reported that staff is meeting with representatives of the Simon Mall regarding using their parking structure for fireworks for Brea Fest. She also shared the new Brea Fest logo. Ms. Mittler reported that the final details are being put together for both *Tales from the Canyon: The Olinda Story* and the Centennial Gala.

INFORMATION MEMORANDUM

Chair Donini quickly reviewed the Information and Memorandum indicating that it contained great information.

REPORTS

Theatre Subcommittee

Following the Season Offerings presentation, the Theatre Subcommittee indicated that they had nothing further to report.

Gallery Subcommittee

With neither Subcommittee members present, there was no report

Site Awareness

Site Awareness was discussed earlier in the agenda.

Art in Public Places Advisory Committee

Commissioner Randlett reported that the Art Walk in the Blackstone Community was well attended and that the artist, Marlo Bartels, shared his experience working on the project and the importance of incorporating elements of Brea's history in his work. Ms. Colacion added that as of now there are 177 art pieces installed.

Country Fair

Commissioner Randlett advised that the Country Fair Steering Committee is getting final details done and it is all coming along fine.

Staff

Ms. Mittler advised that the youth theatre's production of Disney's *The Little Mermaid* will be opening on July 13 and 14 and requested Commissioners contact her if they're interested in obtaining tickets.

ADJOURNMENT

With no further business, the meeting was adjourned at 7:25 p.m.

**CULTURAL ARTS AND
PARKS, RECREATION AND HUMAN SERVICES COMMISSION
Minutes of the Special Meeting of September 13, 2017**

CALL TO ORDER

The Special Meeting of the Cultural Arts and Parks, Recreation & Human Services Commission was called to order by Chair Donini at 5:30 p.m.

ROLL CALL

Cultural Arts Commission Chair, Tom Donini; Vice Chair Yuka Ogino; and Commissioner, Ben Schultz. Commissioners, Rob Grosse and Judy Randlett were absent.

Parks, Recreation and Human Services Commission Chair, Bill Higgins; Vice Chair Andrew Todd; Commissioners, Craig Livingston, Marie Ryan, and Steve Shatynski.

STAFF PRESENT

Carrie Hernandez, Community Services Manager; Tiina Mittler, Theatre Manager; Jenn Colacion, Management Analyst; Christina Mercer, Gallery Director; Chris Beckman, Parks Supervisor; and Jaime Martin, Community Services Specialist.

FLAG SALUTE

Parks, Recreation and Human Services Chair Higgins

INVOCATION

Parks, Recreation and Human Services Chair Higgins

Discussion

City of Brea/Community Services FY 2017/18 Budget

Before the discussion began, Community Services Manager Hernandez let the Commissioners know that we have a scheduling conflict and the meeting will need to adjourn at 6:30 p.m. Before deferring to Management Analyst Colacion for an explanation of the budget, Community Services Manager Hernandez announced to the Commissioners that after 12 years, Community Services Theatre Manager Mittler will be leaving City of Brea for another opportunity with Citrus College. Community Services Theatre Manager Mittler gave a little background of where she will be going and thanked the Commissioners.

Using PowerPoint, Community Services Management Analyst Colacion explained the 2017/18 City of Brea/Community Services budget to the Commissioners that City Council adopted on June 6. She discussed budget process, work to date, top priorities, what is new and different, agenda, economic outlook, sales tax trends, CalPERS facts, general fund revenues and expenditures, budget assumptions, five year projections with decision package, and how the city is looking ahead; the

City's Capital Improvement Program, the goals, significant projects completed, projects that are currently in construction, and new projects; Community Services budget update, Community Center Fund 181, and Community Services revenue increases.

In response to Parks, Recreation and Human Services Commissioner Shatynski and Cultural Arts Chair Donini, Community Services Management Analyst Colacion said that CalPERS is a big factor on why we are facing some challenges in the next few years. Pension costs are covered by investment return rates which are managed by CalPERS and those rates have dropped from 7.5% to 7.0%. Now that people are living longer it is resulting in an increase in retirees taking out of the system but not an increase with employees paying in. We have a lot of flexibility on how we invest and it comes down to making changes structurally for the next five years. Sales tax is going down because there is a lot more online shopping and people are spending differently.

In response to Cultural Arts Commissioner Schultz, Community Services Manager Hernandez said that the ending fund balance is our general fund and that the savings has gone down. But to keep in mind this is a five year budget plan so they have to make assumptions and it's a snapshot of what they think will happen, with a lot of work ahead.

In response to Parks, Recreation and Human Services Commissioner Shatynski, Park Supervisor Beckman at the Sports Park there are pumps and Thompsons oil wells where he discharges a lot of water down the sewer lines and the City is looking into collecting that water and use it to water the Sports Park. There is also an underground well at the Birch Hills Golf Course that is also be looking at. But at this time, they are still in the process of looking at costs.

In response to Parks, Recreation and Human Services Chair Higgins and Parks, Recreation and Human Services Commissioner Livingston, Community Services Management Analyst Colacion said that the increased rate at the Plunge is the range for the different classes that are offered. Finance does work hard to project new developments as best they can and what those impacts might cause in terms of what fees the developers have to pay. She doesn't have the exact answers since this was adopted in June and these conversations are just now starting. Once that comes forward they can give an update on how that is impacting the budget. And as of now City Council does not have an interest on charging for parking in the new downtown parking structure.

In response to Cultural Arts Chair Donini and Parks, Recreation and Human Services Chair Higgins, Community Services Manager Hernandez said that she will do some research regarding what percent of total cost is covered by incoming revenues for Cultural Arts. Brea Fest revenues goes into the general fund and offsets the arts programs.

Arovista Skate Park Rehab

Park Supervisor Beckman showed the plans of the new improvements and explained the new design and the enhancements that are being done. The designs are based on the ideas that came from the skaters from the meetings that were held at the Community Center. They are drawing plans now and hoping to start construction in January.

In response to Parks, Recreation and Human Services Commissioner Livingston, Parks, Recreation and Human Services Chair Higgins said once the plans and specifications get done and goes out to bid, they will get some more hard costs. Cultural Arts Chair Donini said he attended some of the meetings and the expectations were clear that the skaters were told they can't have it all.

Site Awareness

Community Services Manager Hernandez gave background to the Commissioners about site awareness project is and the desire to have a lot more awareness that art happens at the Civic and Cultural Center with signage. They went to City Council and got approved for \$85,000. The City staff, Cultural Arts Commission, and City Council approved the Cultural Arts branding *Experience Brea Arts*. This will now go on Theatre, Gallery, and Art in Public Places marketing material.

Community Services Manager Hernandez showed the new canopies for the Curtis Theatre and Brea Art Gallery. The next goal will be to put up banners on the West wall of the Theatre that will complement the colors, fonts and the branding. Additional signage will be on the elevators.

In response to Cultural Arts Commissioner Schultz, Community Services Manager Hernandez said that they are working on photos of audience members to replace the stock photos by the fall.

Lagos de Moreno Park/Laurel Elementary Magnet School Rehabilitation

Community Services Management Analyst Colacion provided the Commissioners with photos of what is being worked on. She said the Centennial Committee is commissioning a legacy art piece to be placed on the corner of the park entrance. The details of transporting the art piece is still being worked on and a dedication is estimated for December 2017.

The Tracks at Brea

Using PowerPoint, Management Analyst Colacion updated the Commissioners on The Tracks at Brea. She discussed segments 2, 3, 4 and 6; and signage.

Centennial

Community Services Manager Hernandez told the Commissioners the dates for the remaining events and she will send out an email with details on the remaining Centennial events.

ADJOURNMENT

With no further business, the meeting was adjourned at 6:30 p.m.

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
FROM: Bill Gallardo, City Manager
DATE: 10/17/2017
SUBJECT: Dragon Dictation Purchase

RECOMMENDATION

Authorize the purchase of Dragon Software from SHI in the amount of **\$37,192.25** for Law Enforcement specific voice recognition software for the Police Department.

BACKGROUND/DISCUSSION

The Police Department currently has a contract with a transcription company that provides dictation and transcription services. This service allows officers to dictate police reports rather than type them. Currently, Officers dictate into a recorded system. A typist receives this recording and transcribes the recorded report. This report is then sent to our Records division. Records cuts and pastes the dictated report into the RMS system and submits it for approval. The workflow is problematic for the Police Department because: 1) Officers have no way to review the completed report prior to it being submitted for approval, 2) reports often contain inaudible or grammatical errors that cause the report to be rejected for corrections, and 3) the content of the report isn't always an accurate depiction of the incident. These factors combined can cause significant delays in getting the reports through the approval process. This is problematic when preparing reports for court; especially on in-custody arrests.

The Dragon Software from SHI for Law Enforcement is a talk to text dictation system that allows Officers to dictate their reports and see their work as they are dictating it. Using Dragon's software and a USB microphone, Officers can dictate their report, make edits and submit their reports. This process cuts out the middle man and facilitates fewer errors and increases efficiency. Moreover, the Dragon Software from SHI for Law Enforcement product is designed specifically for Law Enforcement, has a unique vocabulary, and has uses beyond mere dictation of police reports. Police Department employees may use the product for any Staff Report, Investigations, or any work that requires writing. Last, the product also includes other hands free features such as: edit documents, insert macros, send emails as well as interface with our Mobile Data Computers for hands free running of vehicle license plates, names, etc.

FISCAL IMPACT/SUMMARY

The Police Department budgets \$25,000.00 annually for dictation and transcription services. Over the past two years, the Police Department has averaged spending \$14,500.00 on dictation and \$6,700.00 on transcription. Excluding the cost of the initial software and hardware equipment, the on-going annual maintenance costs of approximately \$5,000.00 are significantly less expensive than what is currently budgeted for dictation. (The first year of maintenance is included in the software purchase price.) The Police Department anticipates realizing a cost

savings starting in year 3.

The adopted Fiscal Year 2017-18 budget included funds specific for the purchase of the software and hardware, to include microphones. Through competitive price bidding, the cost for the software will be lower than initially estimated. As well, the initial estimated cost of microphones was \$18,000.00. However, the Police Department has identified, tested and selected a higher quality and less expensive product that will only cost \$8,000.00.

RESPECTFULLY SUBMITTED:

Respectfully submitted: William Gallardo, City Manager
Prepared by: Adam Hawley, Lieutenant

Attachments

SHI Quote



Pricing Proposal
Quotation #: 14006375
Created On: 8/23/2017
Valid Until: 10/31/2017

City of Brea CA

Lt Adam Hawley

1 Civic Center Circle
Plaza Level
Brea, CA 92821
United States
Phone: 714-671-3605
Fax:
Email: adamh@ci.brea.ca.us

Inside Account Executive

Michael Klotz

300 Davidson Ave
Somerset, NJ 08873
Phone: 732-652-7670
Fax: 732-652-3099
Email: Michael_Klotz@shi.com

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 Dragon Law Enforcement - (v. 15) - license - local, state - OLP - level B (26-125) - English Nuance Communications - Part#: LIC-K909A-S00-15.0-B Contract Name: NASPO ValuePoint - Software VAR 2016 Contract #: ADSP016-130651 Subcontract #: 7-16-70-36	60	\$383.00	\$22,980.00
2 Nuance Maintenance & Support - Technical support - for Dragon Law Enforcement (v. 15) - local, state - OLP - level B (26-125) - phone consulting - 1 year - English Nuance Communications - Part#: MNT-K909A-S00-15.0-B Contract Name: NASPO ValuePoint - Software VAR 2016 Contract #: ADSP016-130651 Subcontract #: 7-16-70-36	60	\$58.00	\$3,480.00
3 User Management Center Sub OLP Lvl B Yearly Cost Nuance Communications - Part#: 15380 B Contract Name: NASPO ValuePoint - Software VAR 2016 Contract #: ADSP016-130651 Subcontract #: 7-16-70-36	60	\$22.00	\$1,320.00
4 Dragon NaturallySpeaking - web-based training Nuance Communications - Part#: DNS-WEB-TR	3	\$300.00	\$900.00
5 Blue Microphones Yeti - Microphone Blue Microphones - Part#: YETI	51	\$115.00	\$5,865.00
6 Blue Microphones Snowflake - Microphone Blue Microphones - Part#: Snowflake	37	\$55.00	\$2,035.00
Subtotal			\$36,580.00
*Tax			\$612.25
Total			\$37,192.25

*Tax is estimated. Invoice will include the full and final tax due.

Additional Comments

PLEASE NOTE: CREDIT CARD PURCHASES WILL INCUR AN ADDITIONAL 2.5% FEE

The Products offered under this proposal are subject to the SHI Return Policy posted at www.shi.com/returnpolicy, unless there is an existing agreement between SHI and the Customer.

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/17/2017

SUBJECT: Agreement for Accela Land Management Hosted Permitting Software Upgrade

RECOMMENDATION

Approve Agreement to authorize the purchase of Accela Land Management hosted software for Community Development-(Building Plan Check & Inspection, Code Enforcement, Planning), Public Works-(Engineering), Fire-(Prevention & Inspection) in the amount of \$52,536.00 per year for three (3) consecutive one (1) year terms.

BACKGROUND/DISCUSSION

Within its adopted 2017/18 budget, the City Council approved a Decision Package in the amount of \$82,500 to provide for electronic permitting software to provide new efficiencies regarding development permit processing and records. The proposed Agreement with Accela serves to implement this Decision Package.

In this fast paced world where people have become accustomed to getting their information and services almost immediately, they have come to expect this same access from their government agencies. Trying to keep up with these technology demands is a challenge for Government agencies. We in government are constantly faced with new improved software and products that are better than the previously released version; however, we must have some stability of operations in place and need to be strategic and fiscal prudent when deciding to change. Local jurisdictions are also challenged with State mandates for streamlined processes, and a fast paced economy forces us to look at how we are providing services. As the expectations for delivering services has changed, so has the method. The traditional government model of purchasing on premise software or developing custom software to provide a service, although can still be effective, it is no longer the only option. New technological advancements offer local governments the opportunity to provide services which can be more efficiently done, by moving toward software's that is hosted offsite.

A hosted solution (also known as cloud based computing) offers local agencies the opportunity to leverage the power of the internet to allow access to systems from anywhere you have an internet connection. The hosted software solutions reside outside the local agency and are managed by an external vendor or service provider. The service provider runs and maintains the hardware and updates the applications as technology moves forward. This allows the City to always be on the cutting edge of technology. This hosted solution offers cost savings to customers, by reducing commute time, processing time, and improving communication. The hosted solution decreases internal IT demands and can help reduce City overhead in the future. These are some of the reasons Community Development is recommending to move to a hosted

Civic platform permitting system.

In 2015, staff established an in-house working group to evaluate the software available to Government agencies. The working group included all departments affected (Community Development, Fire, Public Works and IT). The group researched a variety of systems available including; Accela, Citizenserve, Hdl Prime, Trakit, and CSI. The different vendors provided different approaches and features to permitting solutions and all systems out there were not found to be on equal footing, varying in approach, etc., and a table outlining some of the system features is provided below. After conducting our research, interviews and presentations with potential vendors, and critically, speaking with other government agencies using the products, the vendor selected to pursue was Accela.

Vendor	Hosted Cloud or City	Finance module	Civic module (engineering, fire, building, planning)	Citizen Portal	Mobile applications	Jurisdiction recommended	Total Points awarded
Accela	Cloud	Yes	Yes	Yes	Yes	Yes	6
Citizenserve	Cloud	Yes	Partial	Yes	Yes	Yes	5
Hdl Prime	City	No	Partial	Custom	Custom	No	2
Trakit (superion)	Cloud	Yes	Yes	Custom	Yes	No	3
CSI	Cloud	No	Yes	Yes	Yes	No	4

On behalf of three Departments (Fire-Prevention, Public Works-Engineering, Com Dev-Building/Planning), the staff working group is recommending a hosted web-based electronic permitting system that incorporates Brea's GIS mapping, multi-disciplinary electronic permitting, inspection, financial account tracking, central project documentation, and web portals for our customers. Accela will provide one electronic permitting system that can be used by multiple departments to share information and track project status. The Accela hosted Civic Platform solution is a web-based system that will help streamline the permit process, encourage collaboration, provide checks and balances and help with information transparency. The system will process records electronically and provide a single location for ease of use and a central record retention location. The Accela system will enhance processing and response times for permit processing and internally enhance customer service. Why select Accela? Currently, our Engineering and Planning divisions do not have a permitting software program to track projects, run reports, estimate future work or track efficiencies. This hosted electronic permitting system will enhance the departments' ability to provide complete records to the public and offer a real time status check both internal and external. The ability to work on line is essential for the future of Government and the hosted solution will keep our City at the cutting edge of technology.

The working group presented the permitting system to the Brea Strategic Planning on Technology "SPOT" committee and proposed a decision package in 2016 for the 2017/18 budget year. The committee approved the system upgrade and the City Council 2017/18 Budget allocated estimated funds to transition and implement this new permitting solution.

Staff propose contracting directly with Accela as they are the sole distributor of their software for the past 15 years. Currently Accela is being used by the cities of Rancho Cucamonga, Yorba Linda, Palo Alto, Cupertino, Sacramento, and San Diego to name a few jurisdictions. The company is well known and respected in the industry and serve over 2,200 local and state government agencies across the USA. They are committed to their product and constantly

advance the technology with current demands from their clients. Accela will be installing the latest version Accela 9.1 a hosted land management system that incorporates all the new tricks; Geo mapping, field apps, custom work flows and standard reports, the most secure ssl/tls protocol insuring information is encrypted and authenticated and will also allow citizen access through web portal. By moving to a hosted land management system, the City of Brea will always be up to date with the latest and greatest technologies. As larger jurisdictions demand enhancements of Accela, improvements will continue and all of the subscribers will benefit from the advancements.

COMMISSION/COMMITTEE RECOMMENDATION

Finance Committee reviewed this item at the September 26, 2017 meeting and recommended City Council approval.

FISCAL IMPACT/SUMMARY

The City Council approved a Decision Package and funding for this proposed software system in its adopted 2017/18 Budget. Additionally, it has long been a practice in Brea to have the end user pay for the services provided and this approach is proposed regarding the on-going funding for this system. Staff will be bring forward a new "technology fee" as part of our comprehensive update of development related fees for City Council consideration later this year. The proposed technology fee would be a nominal charge upon a development permit and collected at permit issuance to offset the annual service cost of the hosted system.

Brea staff anticipate 22 users on the new permit system for all departments. Accela have agreed to offer Brea a subscription unit price of \$199.00 per user/month (which is a cost savings as compared to Accela's basic rate of \$219 per user/month and even its CSA government pricing rate of \$213.00 per user/month). Therefore, the Accela contract is valued at \$52,560.00 for the first year with a 5% escalator per year thereafter. The Fee Study that proposes the new technology fee is subject to Council approval and may range from 0.05-0.1% of total permit valuation for a proposed fee. If the City, conservatively, averages \$70M annually for construction valuation, the fee could result in \$35,000 - \$70,000 revenue, respectively.

In addition to the subscription cost of \$52,560, the system will require a one-time third party implementation installation process. Proposals from third-party vendors have been reviewed and are the subject of a PSA action, together with funding appropriation request addressed within a separate staff report.

RESPECTFULLY SUBMITTED:

Bill Gallardo, City Manager

Prepared by: Gabriel Linares, PE, Deputy Director/Building & Safety Manager

Concurrence: David M. Crabtree, AICP, Community Development Director

Attachments

Contract

MASTER AGREEMENT**SOFTWARE AS A SERVICE**

This agreement ("Agreement") is entered into, to be effective as of October 3, 2017 ("Effective Date"), by and between the CITY OF Brea a municipal corporation located at 1 Civic Center Circle ("CITY") and **Accela, a California Corporation**, located at 2633 Camino Ramon, San Ramon, CA 94583 ("CONTRACTOR").

RECITALS

WHEREAS, CITY requires third-party hosted "software as a service", and related services (the "Services," as further described herein) with respect to certain of its information technology needs;

WHEREAS, CITY requested a proposal from CONTRACTOR for such Services;

WHEREAS, CONTRACTOR has experience and expertise in the business of providing the Services;

WHEREAS, CONTRACTOR submitted a proposal to CITY to perform such Services on behalf of CITY;

WHEREAS, based on CONTRACTOR's superior knowledge and experience relating to such Services, all of which are a material inducement to CITY, CITY has selected CONTRACTOR to provide and manage the Services;

WHEREAS, CONTRACTOR wishes to perform the Services and acknowledges that the successful performance of the Services and the security and availability of CITY's data ("CITY Data," as further described herein) are critical to the operation of CITY's public services; and,

WHEREAS, CONTRACTOR has agreed to provide the Services to CITY, all on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and representations set forth in this Agreement, the parties hereby agree as follows:

1. The Services. This Agreement sets forth the terms and conditions under which CONTRACTOR agrees to license to CITY certain hosted software and provide all other services necessary for productive use of such software including customization / integration, user identification and password change management, data import / export, monitoring, technical support, maintenance, training, backup and recovery, and change management (the "Services") as further set forth in the Statement of Services attached hereto as Exhibit A.
 - 1.1 Authorized Users; Authorized Uses. Unless otherwise limited herein, CONTRACTOR grants CITY a renewable, irrevocable, nonexclusive, royalty-free, and worldwide right and license for any CITY employee, contractor, or agent, or any other individual or entity authorized by CITY, (each, an "Authorized User") to access and use the Services. Other than any limitations otherwise described herein, Authorized Users will have no other limitations on their access to or use of the Services.
 - 1.2 Acknowledgement of License Grant. For the purposes of 11 U.S.C. § 365(n), the parties acknowledge and agree that this Agreement constitutes a license grant of intellectual property to CITY by CONTRACTOR.
 - 1.3 Changes in Number of Authorized Users. CITY is entitled to increase or decrease the initial number of Authorized Users ("Minimum Commitment"), on an as-requested basis; provided, however, that CITY shall maintain the Minimum Commitment for the Subscription period, unless the parties otherwise agree to adjust the Minimum Commitment. Should CITY elect to change the number of Authorized Users, CONTRACTOR shall reduce or increase Authorized Users specified in Exhibit " " and adjust the prospective Services Fees accordingly no later than five (5) business days from CITY's written request.

- 1.4 Control and Location of Services. The method and means of providing the Services shall be under the exclusive control, management, and supervision of CONTRACTOR, giving due consideration to the requests of CITY. Except as otherwise expressly set forth in Exhibit A, the Services (**including all data storage**), shall be provided solely from within the continental United States and on computing and data storage devices residing therein.
- 1.4.1 Subcontractors. CONTRACTOR shall not enter into any subcontracts for the performance of the Services, or assign or transfer any of its rights or obligations under this Agreement, without CITY's prior written consent and any attempt to do so shall be void and without further effect and shall be a material breach of this Agreement. CONTRACTOR's use of subcontractors shall not relieve CONTRACTOR of any of its duties or obligations under this Agreement.
- 1.4.2 Offensive or Disparaging Content. Where the Services or any web services affiliated with the Services contain offensive content or portray CITY in a disparaging way, both of which to be solely determined by CITY, CONTRACTOR shall immediately remove the offensive or disparaging content and CITY shall have the right, at CITY's sole election, to: (a) immediately terminate this Agreement or any portion thereof corresponding to the offending or disparaging content, and be entitled to a return of any prepaid fees, as liquidated damages and not as a penalty; or, (b) obtain or retain, as the case may be, all fees paid or payable for the entire period of the then-current term, as liquidated damages and not as a penalty, associated with that portion of this Agreement corresponding to the offending or disparaging content.
- 1.5 Documentation. The documentation for the Services ("Documentation") will accurately and completely describe the functions and features of the Services, including all subsequent revisions thereto. The Documentation shall be understandable by a typical end user and shall provide Authorized Users with sufficient instruction such that an Authorized User can become self-reliant with respect to access and use of the Services. CITY shall have the right to make any number of additional copies of the Documentation at no additional charge.
- 1.6 Changes in Functionality. During the term of this Agreement, CONTRACTOR shall not reduce or eliminate functionality in the Services without CITY's prior written permission. When CONTRACTOR has reduced or eliminated functionality in the Services without CITY's permission and where CONTRACTOR has introduced like functionality in other services, CITY shall have an additional license and subscription right to use and access the new services, at mutually agreed upon additional charge, with the same rights, obligations, and limitations as for the Services.
- 1.7 No Effect of Click-Through Terms and Conditions. During the use of Services where an Authorized User is required to "click through," accept or be made subject to any online terms and conditions in using the Services, such online terms and conditions are not binding and shall have no force or effect as to the Services, this Agreement.

2. Service Levels.

- 2.1 Service Levels; Time is of the Essence. For the term of this Agreement, CONTRACTOR shall provide the Services, force majeure events excepted, during the applicable Service and in accordance with the applicable Service Level Standards, each as described in the Exhibit "A", time being of the essence.

2.2 Service Level Reporting.

2.2.1. The Subscribed Services will be hosted by Accela on Accela-owned equipment at a physically-secure commercial third-party hosting facility. Accela will perform system administration duties as required to maintain the service levels described below and to facilitate timely restoration of Customer's data and operations, if necessary, following unanticipated interruptions of the Subscribed Services. Accela will implement suitable network security measures to minimize the likelihood of unanticipated interruptions of the Subscribed Services as set forth in Appendix A.

2.2.2 Accela will endeavor to provide Customer with no less than twenty-four (24) hours' notice prior to Subscribed Services unavailability due to planned maintenance (other than during Accela's standard maintenance window between the hours of 9:00 PM [21:00] Thursday and 1:00 AM [1:00] Friday Pacific time);

Accela will endeavor to provide as much notice as is practicable under the circumstances for updates and fixes which may be applied on a more urgent basis. Accela will provide five (5) business days' notice prior to any planned network, server hardware, operating environment, or database modifications of a material nature.

2.2.4. Excluding the foregoing events, Accela warrants that the Subscribed Services will be available no less than ninety-nine point nine percent (99.9%) of each calendar month. For each month during which the availability of the Subscribed Services does not achieve the established standard, Accela will provide a credit to Customer's account as calculated pursuant to Section 12 below, provided that the substandard availability is timely identified by Customer in writing, can be objectively verified, and the Subscribed Services are being used in live-production. Credits accumulated pursuant to this Section may be applied to additional Accela products and/or services, but will not be refunded to Customer.

2.2.5 The performance requirements for the Subscribed Services, excluding planned maintenance downtime, are below. Uptime is calculated on a calendar month basis as $U = O / (M - P) * 100$, where U is Uptime, O is the amount of operational uptime for the Subscribed Services during a given month, M is the number of minutes in the month, and P is the number of minutes of planned downtime during the month. Credits are calculated on pro-rated monthly fees.

Uptime Credit

≥99.9% None

<99.9% but ≥99.0% 15%

<99.0% but ≥95.0% 35%

<95.0% 100%

2.6. Termination for Material and Repeated Failures. CITY shall have, in addition to any other rights and remedies under this Agreement or at law, the right to immediately terminate this Agreement, and be entitled to a return of any prepaid fees where CONTRACTOR fails to meet any Service Level Standard: (a) to such an extent that the CITY's ability, as solely determined by CITY, to use the Services is materially disrupted, force majeure events excepted; or, (b) for four (4) months out of any twelve (12) month period.

2.6. Audit of Service Levels. No more than annually, CITY or CITY's agent shall have the right to audit CONTRACTOR's books, records, and measurement and auditing tools to verify Service Level Standard achievement and to determine correct payment of any Performance Credit. Where it is determined that any Performance Credit was due to CITY but not paid, CONTRACTOR shall immediately owe to CITY the applicable Performance Credit.

3. Support; Maintenance; Additional Services.

3.1 Technical Support. CONTRACTOR shall provide the Technical Support described in an Exhibit "A". The Services Fees shall be inclusive of the fees for the Technical Support.

3.2 Maintenance. CONTRACTOR shall provide corrections, modifications, enhancements, upgrades, and new releases to the Services to ensure: (a) the functionality of the Services, as described in the Documentation, is available to Authorized Users; (b) the functionality of the Services in accordance with the representations and warranties set forth herein, including but not limited to, the Services conforming in all material respects to the specifications, functions, descriptions, standards, and criteria set forth in Exhibit "A" and the Documentation; (c) the Service Level Standards can be achieved as set forth in Sec. 2.; and, (d) the Services work with the then-current version (of Product?) and the three prior versions of Internet Explorer, Mozilla Firefox, and Google Chrome Internet browsers. The Services Fees shall be inclusive of the fees for maintenance.

3.2.1 Required Notice of Maintenance. Unless as otherwise agreed to by CITY on a case-by-case basis, CONTRACTOR shall provide no less than five (5) calendar day's prior written notice to CITY of all non-emergency maintenance to be performed on the Services, such written notice including a detailed description of all maintenance to be performed. For emergency maintenance, CONTRACTOR shall provide as much prior notice as commercially practicable to CITY and shall provide a detailed description of all maintenance performed no greater than one (1) calendar day following the implementation of the emergency maintenance.

3.2.2 Acceptance of Non-Emergency Maintenance. Unless as otherwise agreed to by CITY on a case-by-case basis, for non-emergency maintenance, CITY shall have a seven (7) business day period to test any maintenance changes prior to CONTRACTOR introducing such maintenance changes into production (the "Maintenance Acceptance Period"). In the event that CITY rejects, for good cause, any maintenance changes during the Maintenance Acceptance Period, CONTRACTOR shall not introduce such rejected maintenance changes into production. At the end of the Maintenance Acceptance Period, if CITY has not rejected the maintenance changes, the maintenance changes shall be deemed to be accepted by CITY and CONTRACTOR shall be entitled to introduce the maintenance changes into production.

3.3 Customization / Integration Services. CONTRACTOR shall provide the Customization / Integration Services, if any, described in Exhibit A. Training Services. CONTRACTOR shall provide the Training Services, if any, described in Exhibit A. The Services Fees shall be inclusive of the fees for the Training Services.

4. Escrow Agreement. CONTRACTOR agrees to place in escrow with an escrow agent copies of the source and object code for the applicable software that is included as a part of the Services as well as all necessary components to ensure proper function of such software including but not limited to any application program interfaces, configuration files, schematics of software components, build instructions, procedural instructions, and other documentation (collectively, the "Software") which are set forth in Exhibit B (Registration Agreement) with CONTRACTORS Escrow Agent, NCC Group Inc.

5. Audit Rights of CONTRACTOR. CONTRACTOR shall have the right to conduct an on-premises audit of CITY's compliance with the use of the Services no more than once annually, following not less than 10 business days prior written notice. No more than once annually, CONTRACTOR shall also have the right to request from CITY its certification of compliance with the permitted number of Authorized Users. Where the actual number of users exceeds the permitted number of Authorized Users, CITY shall, within thirty (30) business days acquire the appropriate number of Authorized Users at the rate specified in Exhibit "A" so as to be in compliance with the permitted number of Authorized Users.

6. Change Control Procedure. CITY may, upon written notice, request changes to the scope of the Services under Exhibit A. If CITY requests an increase in the scope, CITY shall notify CONTRACTOR, and, not more than five (5) business days (or other mutually agreed upon period) after receiving the request, CONTRACTOR shall notify CITY whether or not the change has an associated cost impact. If CITY and CONTRACTOR mutually approve, CITY shall issue a change control, which will be executed by the CONTRACTOR. CITY shall have the right to decrease the scope and the associated fees will be reduced accordingly.

7. Term and Termination; Renewals.

7.1 Term. This Agreement is legally binding as of the Effective Date and shall continue until terminated as provided for herein. Unless this Agreement A is terminated earlier in accordance with the terms set forth herein, the term of this Agreement (the "Initial Term") shall commence on the Start Date and continue until the End Date. Following the Initial Term and unless otherwise terminated, this Agreement may automatically renew for Three (3) successive one (1) year terms (each, a "Renewal Term") until such time as a party provides the other party with written notice of termination; provided, however, that: (a) such notice be given no fewer than thirty (30) calendar days prior to the last day of the then-current term; and, (b) any such termination shall be effective as of the date that would have been the first day of the next Renewal Term.

7.2 Termination for Cause. If either party materially breaches any of its duties or obligations hereunder and such breach is not cured, or the breaching party is not diligently pursuing a cure to the non-breaching party's sole satisfaction, within thirty (30) calendar days after written notice of the breach, the non-breaching party may terminate this Agreement for cause as of a date specified in such notice.

- 7.3 Payments upon Termination. Upon the termination of this Agreement, CITY shall pay to CONTRACTOR all undisputed amounts due and payable hereunder, if any, and CONTRACTOR shall submit for payment to CITY all amounts due and payable hereunder, such as Performance Credits and prepaid fees, if any.
- 7.4 Return of CITY Data. Upon the termination of this Agreement, CONTRACTOR shall, within five (5) business days following the termination of this Agreement, provide CITY, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to CONTRACTOR), with a final extract of the CITY Data in the format specified by CITY. Further, CONTRACTOR shall certify to CITY the destruction of any CITY Data within the possession or control of CONTRACTOR but such destruction shall occur only after the CITY Data has been returned to CITY. This Section shall survive the termination of this Agreement.
- 7.5 Renewals. Should the Services continue beyond the then-current Term, the Services Fees for the Renewal Term may be: (a) increased no more than Five percent (5%) on an annualized per-user basis where CITY has not increased the number of Authorized Users by ten percent (10%) during the then-current Term.
8. Transition Services. Any Transition Services shall be reasonably provided on a time and materials basis and may include: (a) developing a plan for the orderly transition of the terminated Services from CONTRACTOR to CITY or Successor CONTRACTOR; (b) if required, transferring the CITY Data to Successor CONTRACTOR; (c) using commercially reasonable efforts to assist CITY in acquiring any necessary rights to legally and physically access and use any third-party technologies and documentation then being used by CONTRACTOR in connection with the Services; (d) using commercially reasonable efforts to make available to CITY, pursuant to mutually agreeable terms and conditions, any third-party services then being used by CONTRACTOR in connection with the Services; and, (e) such other activities upon which the parties may agree.
9. Fees; Billing. CITY shall be responsible for and shall pay to CONTRACTOR the fees as further described in Exhibit "A", subject to the terms and conditions contained in this Agreement. Any sum due CONTRACTOR for the Services for which payment is not otherwise specified shall be due and payable thirty (30) business days after receipt by CITY of an invoice from CONTRACTOR.
- 9.1 Billing Procedures. Unless otherwise provided for in herein, CONTRACTOR shall bill to CITY the sums due pursuant to CONTRACTOR's invoice, which shall contain: (a) CITY's purchase order number, if any, and CONTRACTOR's invoice number; (b) description of Services for which an amount is due; (c) the fees or portion thereof that are due; (d) taxes, if any; (e) any Performance Credits or other credits; and, (f) total amount due. CONTRACTOR shall forward invoices in hardcopy format to [CITY Accounts Payable Address].
- 9.2 Taxes. CONTRACTOR represents and warrants that it is an independent contractor for purposes of federal, state, and local taxes. CONTRACTOR agrees that CITY is not responsible to collect or withhold any such taxes, including income tax withholding and social security contributions, for CONTRACTOR. Any and all taxes, interest, or penalties, including any federal, state, or local withholding or employment taxes, imposed, assessed, or levied as a result of this Agreement shall be paid or withheld by CONTRACTOR.
- 9.3 Credits. Any amounts due to CITY, such as a Performance Credit, from CONTRACTOR may be applied by CITY, at the sole election of CITY, against any current or future fees due to CONTRACTOR. This Section shall survive the termination of this Agreement.
- 9.4 Non-binding Terms. Any terms and conditions included in a CITY purchase order or a CONTRACTOR invoice, as the case may be, shall be deemed to be solely for the convenience of the respective party, and no such term or condition shall be binding upon the parties.
- 9.5 Auditable Records. CONTRACTOR shall maintain accurate records of all fees billable to, and payments made by, CITY in a format that will permit audit by CITY for a period of no less than two (2) years from when a fee was incurred or a payment was made. The foregoing obligation of CONTRACTOR shall survive the termination of this Agreement. For the term of this Agreement, upon CITY's written request, CONTRACTOR shall provide CITY with a copy of its annual American Institute of Certified Public Accountants Service Organization Control (SOC) 1 type 2 report and SOC 2 type 2 report (for all Trust Services Principles).

- 9.6 No Suspension of Services. CONTRACTOR shall not suspend any part of the Services where: (a) CITY is reasonably disputing any amount due to CONTRACTOR; or, (b) any unpaid but undisputed amount due to CONTRACTOR is less than ninety (90) business days in arrears.

10. Representations and Warranties.

- 10.1 Mutual. Each of CITY and CONTRACTOR represent and warrant that:

- 10.1.1 it is a business duly incorporated, validly existing, and in good standing under the laws of its state of incorporation;
- 10.1.2 it has all requisite corporate power, financial capacity, and authority to execute, deliver, and perform its obligations under this Agreement;
- 10.1.3 the execution, delivery, and performance of this Agreement has been duly authorized by it and this Agreement constitutes the legal, valid, and binding agreement of it and is enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganizations, moratoriums, and similar laws affecting creditors' rights generally and by general equitable principles;
- 10.1.4 it shall comply with all applicable federal, state, local, or other laws and regulations applicable to the performance by it of its obligations under this Agreement and shall obtain all applicable permits and licenses required of it in connection with its obligations under this Agreement; and,
- 10.1.5 there is no outstanding litigation, arbitrated matter or other dispute to which it is a party which, if decided unfavorably to it, would reasonably be expected to have a potential or actual material adverse effect on its ability to fulfill its obligations under this Agreement.

- 10.2 By CONTRACTOR. CONTRACTOR represents and warrants that:

- 10.2.1 the Services will conform in all material respects to the terms, conditions, specifications, functions, descriptions, standards, and criteria set forth in Exhibit "A" and the Documentation. In the event of any conflict or inconsistency between the terms of this document, and any attachment, exhibit, or writing attached hereto or incorporated by reference herein, section 16.12 shall apply.

11. CITY Data.

- 11.1 Ownership. Data originally provided by the CITY or otherwise made available to CONTRACTOR by CITY ("CITY Data"), which shall also be known and treated by CONTRACTOR as Confidential Information, shall include: (a) CITY's data collected, used, processed, stored, or generated as the result of the use of the Services; and, (b) personally identifiable information ("PII") collected, used, processed, stored, or generated as the result of the use of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements listed herein. CITY Data is and shall remain the sole and exclusive property of CITY and all right, title, and interest in the same is reserved by CITY. This Section shall survive the termination of this Agreement.

- 11.2 CONTRACTOR Use of CITY Data. CONTRACTOR is provided a limited license to CITY Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display CITY Data only to the extent necessary in the providing of the Services. CONTRACTOR shall: (a) keep and maintain CITY Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Agreement and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose CITY Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Agreement and applicable law. This Section shall survive the termination of this Agreement.

- 11.3 Extraction of CITY Data. CONTRACTOR shall no more than once a year and within three (3) business day of CITY's request, provide CITY, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to CONTRACTOR), an extract of the CITY Data in the format specified by CITY.
- 11.4 Backup and Recovery of CITY Data. As a part of the Services, CONTRACTOR is responsible for maintaining a backup of CITY Data and for an orderly and timely recovery of such data in the event that the Services may be interrupted.
- 11.5 Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of CITY Data or the physical, technical, administrative, or organizational safeguards put in place by CONTRACTOR that relate to the protection of the security, confidentiality, or integrity of CITY Data, CONTRACTOR shall, as applicable: (a) notify CITY as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; ; (c) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting CITY's obligations of indemnification as further described in this Agreement, indemnify, defend, and hold harmless CITY for any and all Claims (as defined herein) which may be suffered by, accrued against, charged to, or recoverable from CITY in connection with the occurrence; This Section shall survive the termination of this Agreement.
12. Non-Disclosure of Confidential Information. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section shall survive the termination of this Agreement.
- 12.1 Meaning of Confidential Information. For the purposes of this Agreement, the term "Confidential Information" shall mean all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; or, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was: (a) already in the possession of the receiving party without an obligation of confidentiality; (b) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (c) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (d) publicly available when received, or thereafter became publicly available (other than through any unauthorized). For purposes of this Agreement, in all cases and for all matters, CITY Data shall be deemed to be Confidential Information.
- 12.2 Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Agreement or to use such Confidential Information for any purposes whatsoever other than the performance of this Agreement. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Notwithstanding any other provision in this Section 12, information required by statute, subpoena, or court order to be disclosed, shall be disclosed only after providing the disclosing party with not less than ten (10) business days' prior, written notice of the date of intended disclosure.
- 12.3 Cooperation to Prevent Disclosure of Confidential Information. Each party shall use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party shall advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Agreement and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- 12.4 Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief

against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of injured Party, at the sole election of the injured Party, the immediate termination, without liability to the injured Party, of this Agreement corresponding to the breach or threatened breach.

- 12.5 Surrender of Confidential Information upon Termination. Upon termination of this Agreement, in whole or in part, each party shall, within five (5) calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that CONTRACTOR shall return CITY Data to CITY following the timeframe and procedure described further in this Agreement. Should CONTRACTOR or CITY determine that the return of any non-CITY Data Confidential Information is not feasible, such party shall destroy the non-CITY Data Confidential Information and shall certify the same in writing within five (5) calendar days from the date of termination to the other party.

13. Data Privacy and Information Security.

- 13.1 Undertaking by CONTRACTOR. Without limiting CONTRACTOR's obligation of confidentiality as further described herein, CONTRACTOR shall be responsible for establishing and maintaining a data privacy and information security program set forth in Appendix A.

Audit by CONTRACTOR. Unless otherwise agreed upon in writing, no less than annually, CONTRACTOR shall conduct a comprehensive audit of its data privacy and information security program and provide such audit findings to CITY.

- 13.2 Right of Audit by CITY. Without limiting any other audit rights of CITY, CITY shall have the right to review CONTRACTOR's data privacy and information security program prior to the commencement of Services and once annually during the term of this Agreement. In lieu of an on-site audit, upon request by CITY, CONTRACTOR agrees to complete, within forty-five (45) days of receipt, an audit questionnaire provided by CITY regarding CONTRACTOR's data privacy and information security program.

- 13.3 Audit Findings. CONTRACTOR shall implement any required safeguards as identified by CITY or by any audit of CONTRACTOR's data privacy and information security program.

14. Proprietary Rights.

- 14.1 Pre-existing Materials. CITY acknowledges that, in the course of performing the Services, CONTRACTOR may use software and related processes, instructions, methods, and techniques that have been previously developed by CONTRACTOR (collectively, the "Pre-existing Materials," which shall include the Services) and that the same shall remain the sole and exclusive property of CONTRACTOR.

- 14.2 No License. Except as expressly set forth herein, no license is granted by either party to the other with respect to the Confidential Information or Pre-existing Materials. Nothing in this Agreement shall be construed to grant to either party any ownership or other interest, in the Confidential Information or Pre-existing Materials, except as may be provided under a license specifically applicable to such Confidential Information or Pre-existing Materials.

- 14.3 The provisions of this Section shall survive the termination of this Agreement.

15. Indemnification; Limitation of Liability; Insurance.

- 15.1 Insurance. Unless waived or modified by CITY's risk manager in writing, CONTRACTOR shall, at its own expense, procure and maintain in full force and effect during the term of this Agreement, policies of insurance, of the types and in the minimum amounts as follows, with responsible insurance carriers duly qualified in those states (locations) where the Services are to be performed, covering the operations of CONTRACTOR, pursuant to this Agreement: commercial general liability (CGL) (\$1,000,000 per occurrence, \$2,000,000 aggregate); auto liability (any auto) if performance will occur on CITY premises (\$1,000,000 per occurrence,

\$2,000,000 aggregate), excess liability (\$2,000,000 per occurrence, \$2,000,000 aggregate); workers' compensation (statutory limits) and employers' liability (\$500,000 per accident); and, professional liability (\$1,000,000 per occurrence, \$1,000,000 aggregate). The CITY and its Elected Officials shall be named as additional insureds in the CGL and auto liability policies which shall contain standard cross liability clauses. CONTRACTOR shall cause the liability it assumed under this Agreement to be specifically insured under the contractual liability section of the liability insurance policies. The CGL and auto liability, and workers compensation, policies shall waive the right of subrogation. The liability policies shall be primary without right of contribution from any insurance by CITY. CONTRACTOR shall provide CITY with certificates of insurance and endorsements evidencing all of the above coverage, including all special requirements specifically noted above, and shall provide CITY with certificates of insurance evidencing renewal or substitution of such insurance thirty (30) calendar days prior to the effective date of such renewal or substitution. Limitation of liability is set forth in Exhibit A of this Agreement.

16. General.

- 16.1 Relationship between CITY and CONTRACTOR. CONTRACTOR represents and warrants that it is an independent contractor with no authority to contract for CITY or in any way to bind or to commit CITY to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of CITY. Under no circumstances shall CONTRACTOR, or any of its staff, if any, hold itself out as or be considered an agent employee, joint venture, or partner of CITY. In recognition of CONTRACTOR's status as an independent contractor, CITY shall carry no Workers' Compensation insurance or any health or accident insurance to cover CONTRACTOR or CONTRACTOR's agents or staff, if any. CITY shall not pay any contributions to Social Security, unemployment insurance, federal or state withholding taxes, any other applicable taxes whether federal, state, or local, nor provide any other contributions or benefits which might be expected in an employer-employee relationship. Neither CONTRACTOR nor its staff, if any, shall be eligible for, participate in, or accrue any direct or indirect benefit under any other compensation, benefit, or pension plan of CITY.
- 16.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California and the federal laws of the United States of America. CONTRACTOR hereby consents and submits to the jurisdiction and forum of the state and federal courts in the County of Orange, California in all questions and controversies arising out of this Agreement.
- 16.3 Attorneys' Fees and Costs. In any arbitration, litigation, or other proceeding, informal or formal, by which one party either seeks to enforce this Agreement or seeks a declaration of any rights or obligations under this Agreement, the non-prevailing party shall pay the prevailing party's costs and expenses, including but not limited to, reasonable attorneys' fees and in accordance with Section 16.12 below.
- 16.4 Compliance with Laws; CITY Policies and Procedures. Both parties agree to comply with all applicable federal, state, and local laws, executive orders and regulations issued, where applicable. CONTRACTOR shall comply with CITY policies and procedures where the same are posted, conveyed, or otherwise made available to CONTRACTOR.
- 16.5 Cooperation. Where agreement, approval, acceptance, consent or similar action by either party hereto is required by any provision of this Agreement, such action shall not be unreasonably delayed or withheld. Each party will cooperate with the other by, among other things, making available, as reasonably requested by the other, management decisions, information, approvals, and acceptances in order that each party may properly accomplish its obligations and responsibilities hereunder. CONTRACTOR will cooperate with any CITY supplier performing services, and all parties supplying hardware, software, communication services, and other services and products to CITY, including, without limitation, the Successor CONTRACTOR. CONTRACTOR agrees to cooperate with such suppliers, and shall not commit or permit any act which may interfere with the performance of services by any such supplier.
- 16.6 Force Majeure; Excused Performance. Neither party shall be liable for delays or any failure to perform the Services or this Agreement due to causes beyond its reasonable control. Such delays include, but are not limited to, fire, earthquake, tsunami, explosion, flood or other natural catastrophe, war, , strikes, to the extent not occasioned by the fault or negligence of the delayed party. Any such excuse for delay shall last only as

long as the event remains beyond the reasonable control of the delayed party. However, the delayed party shall use its best efforts to minimize the delays caused by any such event beyond its reasonable control.

- 16.7 Advertising and Publicity. CONTRACTOR shall not refer to CITY directly or indirectly in any advertisement, news release, or publication without prior written approval from CITY.
- 16.8 No Waiver. The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect that party's right to enforce such provisions, nor shall the waiver by either party of any breach of any provision of this Agreement be taken or held to be a waiver of any further breach of the same provision.
- 16.9 Notices. Any notice given pursuant to this Agreement shall be in writing and shall be given by personal service or by United States certified mail, return receipt requested, postage prepaid to the addresses appearing at the end of this Agreement, or as changed through written notice to the other party. Notice given by personal service shall be deemed effective on the date it is delivered to the addressee, and notice mailed shall be deemed effective on the third day following its placement in the mail addressed to the addressee.
- 16.10 Assignment of Agreement; Subcontracting. This Agreement and the obligations of CONTRACTOR hereunder are personal to CONTRACTOR and its staff. Neither CONTRACTOR nor any successor, receiver, or assignee of CONTRACTOR shall directly or indirectly assign this Agreement or the rights or duties created by this Agreement, whether such assignment is effected in connection with a sale of CONTRACTOR's assets or stock or through merger, an insolvency proceeding or otherwise, nor shall any required performance hereunder be subcontracted, without the prior written consent of CITY, unless expressly otherwise provided herein. In the case of an assignment by CONTRACTOR, CONTRACTOR represents and warrants that it has all requisite rights and power to transfer any agreements or other rights with third-parties whose software is incorporated into the Services or who are necessary for the performance and use of the Services.

- 16.11 Counterparts; Facsimile. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The parties agree that a facsimile signature may substitute for and have the same legal effect as the original signature.
- 16.12 Entire Agreement. This Agreement and its attached exhibits, all of which are incorporated by reference herein, constitute the entire agreement between the parties and supersede any and all previous representations, understandings, or agreements between CITY and CONTRACTOR as to the subject matter hereof. This Agreement may only be amended by an instrument in writing signed by the parties. This Agreement shall be construed without regard to the party that drafted it. Any ambiguity shall not be interpreted against either party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts. In the event of any conflict or inconsistency between the terms of this document, and any attachment, this document shall prevail.


Executed on the dates set forth below by the undersigned authorized representative of CITY and CONTRACTOR to be effective as of the Effective Date.

CITY OF _____

By:
Name:
Title:
Date:

Address for Notice:

[SERVICE PROVIDER NAME] (SERVICE PROVIDER)

By: 
Name: Jay Colfer
Title: Chief Revenue Officer
Date: September 14, 2017

By: 
Name: Max Schnoedl
Title: Chief Financial Officer
Date: September 19, 2017

[Two corporate signatures required if corporation]

Address for Notice:

City of Brea

Accela Land Management Subscription

September 13, 2017

Hilary Huntington

Business Development Executive SMG
(603) 616-7221
hhuntington@accela.com

Products and Services

Annual Subscriptions					
Product Code	Product Name	Description	Qty	Sales Price	Total Price
SS10AACAPOP5001	Accela Citizen Access - Subscription Population Under 50K	Accela Citizen Access - Subscription Population Under 50K	40963	\$0.00	\$0.00
SS10APFMSAS0001	Accela Civic Platform - Subscription User	Accela Civic Platform - Subscription User	22	\$2,628.00	\$52,560.00
SS10APFMSLVR001	Accela Civic Platform – Silver – Subscription User	Accela Civic Platform Silver -Subscription User	2	\$0.00	\$0.00

Grand Total: USD\$52,560.00

Table 1

Accela Civic Platform Order Detail

General Information

Customer Name	City of Brea
Customer Contact	Gabriel Linares
Customer Address	1 Civic Center Circle, Brea, California 92821

Agreement Terms


Term Start	Upon the last signature date of the Order Form
Term End	Twelve months from the Term Start date

Payment Schedule

Currency USD	\$52,560
Initial Payment	Due upon signing of this Order Form
If a PO is required, you must provide the PO number to the right in order for it to be referenced on the invoice. If no PO number has been provided, the invoice will be issued and valid without the PO number.	
PO# (If required) Type NA if not required	

Terms	
Contract Term	12 Months
Special Terms	
<p>This Order Form shows applications Client has subscribed to, the amount charged for each, and the cost for implementation services if applicable. Implementation services being purchased on this Order Form will be delivered based on a separate mutually agreed upon Statement of Work (SOW). By signing the Order Form, City is agreeing to purchase these applications under the Accela Subscription Terms and Conditions.</p> <p>The parties agree that this Order Form may be executed and/or delivered by electronic means, including, without limitation, electronic signatures, images of signatures, or copies of original signatures or documents, and may be delivered by electronic mail, facsimile transmission, or other electronic or non-electronic means. All documents executed and/or delivered by electronic means shall have the same force and effect as an original, signed document, for all intents and purposes, including, without limitation, all applications of statutes of frauds, the best evidence rule, and any similar rules, statutes, regulations, or other principles of law. The party receiving a document signed and/or delivered by electronic means may rely on and use such electronic document to the same scope and extent as if it were the original, hard copy document duly executed by the other party.</p>	

Accounting Payable Contact Information	
First Name:	
Title:	
Email Address:	
Phone Number:	

Signature Section			
Vendor	Accela, Inc.	City	City of Brea
Signed By		Signed By	
Date	September 14, 2017	Date	
Title	Chief Revenue Officer	Title	
Name (Print)	Jay Colfer	Name (Print)	
Additional Signatures (Optional)			
City	City of Brea	City	City of Brea
Signed By		Signed By	
Name (Print)		Name (Print)	
Title		Title	
Date		Date	

ACCELA SUBSCRIPTION TERMS AND CONDITIONS

Version 52615a

1. As used herein, “Accela” refers to Accela, Inc. and “Customer” refers to the subscribing customer designated on the attached Order. Accela and Customer are collectively designated as the “Parties”.
2. These Subscription Terms and Conditions (“Terms”) are effective upon execution of the Order by Customer and are for the exclusive benefit of the Parties. Nothing herein will be construed to create any benefits, rights, or responsibilities in any other parties.
3. Customer’s subscription term commences on the date Accela provides appropriate access credentials to Customer’s designated technical contact, indicating that the application services identified in the Order (“Subscribed Services”) are available for Customer’s subscription use. Said date is Customer’s “Service Date” for purposes of designating the start of any subscription term.
4. Subscription terms are twelve (12) calendar months in duration. At the end of Customer’s subscription term or, if a multi-term subscription is indicated on the Order, the last of Customer’s subscription terms, Customer’s subscription will renew for an additional term. The per-unit pricing during said additional term will be the same as the prior term’s annual fees unless Accela notifies Customer otherwise not less than sixty (60) calendar days prior to the end of said prior term. Any price increase will be effective at the start of the renewal term. No such price increase will exceed five percent (5%) of the prior term’s annual pricing. Customer may opt-out from said automatic renewal by providing written notice to Accela not less than thirty (30) calendar days prior to the Service Date anniversary which begins the renewal term. During said sixty-day period, Customer may decrease the number of users for which it has subscribed; said decrease will be effective during the next subscription term. Customer may not decrease its number of subscribed users at any other time during a subscription term. At any time during a subscription term,

Customer may increase its number of subscribed users by submitting an order to Accela and paying the fees associated with the increase. Such fees will be calculated as the pro-rata remaining portion of the subscription term, rounded-up to the nearest full month.

5. In exchange for its use of the Subscribed Services, Customer will pay to Accela the amounts indicated in the Order. Said amounts are based on services purchased and not actual usage; payment obligations are non-cancelable and fees paid are non-refundable, except as otherwise specifically-provided herein. Unless otherwise stated, such fees do not include any taxes, levies, duties or similar governmental assessments of any nature, including but not limited to value-added, sales, use or withholding taxes, assessable by any local, state, provincial, federal or foreign jurisdiction (“Taxes”). Customer is responsible for paying all Taxes associated with its purchases hereunder. If Accela has the legal obligation to pay or collect Taxes for which Customer is responsible, the appropriate amount will be invoiced to and paid by Customer, unless Accela is provided with a valid tax exemption certificate authorized by the appropriate taxing authority. Accela is solely responsible for taxes assessable against it based on its income, property and employees.
6. The Subscribed Services are protected under the laws of the United States and the individual states and by international treaty provisions. Accela retains full ownership in the Subscribed Services and grants to Customer a limited, nonexclusive, nontransferable right to use the Subscribed Services, subject to the following terms and conditions: a) The Subscribed Services are provided for use only by Customer employees and to the extent of their duties for Customer, Customer’s agents, contractors and officials; b) Customer may not make any form of derivative work from the Subscribed Services, although Customer is permitted to develop additional or alternative functionality for the Software

using tools and/or techniques provided to Customer by Accela; c) Customer may not obscure, alter, or remove any confidentiality or proprietary rights notices; d) Customer may use the Subscribed Services only to process transactions relating to properties within both its own geographical and political boundaries and may not sell, rent, assign, lend, or share any of its rights

hereunder; e) Customer is responsible for all activities conducted using its user credentials and for its users' compliance with the provisions of these Terms; and f) All rights not expressly granted to Customer are retained by Accela. Accela will make the Subscribed Services available to Customer pursuant to these Terms during a subscription term. Customer agrees that its purchases hereunder are neither contingent on the delivery of any future functionality or features nor dependent on any oral or written public comments made by Accela regarding future functionality or features.

7. Accela warrants that it has full power and authority to agree to these Terms and that, as of the effective date hereof, the Subscribed Services do not infringe on any existing intellectual property rights of any third party. If a third party claims that the Subscribed Services do infringe, Accela -Shall, at its sole option, secure for Customer the right to continue using the Subscribed Services or modify the Subscribed Services so that these do not infringe. Accela will have the sole right to conduct the defense and will defend any legal action and conduct all negotiations for its settlement or compromise.
8. Accela has no obligation for any claim based upon a modified version of the Subscribed Services, where such modifications were not made or authorized by Accela, or the combination or operation of the Subscribed Services with any product, data, or apparatus not provided by Accela. Accela provides no warranty whatsoever for any third-party hardware or software products. If a third-party product is supplied by Accela, no support for any third party product is

provided, unless an addendum is attached hereto, identifying the product and specifying the terms and conditions of any support. **Except as expressly set forth herein, Accela disclaims any and all express and implied warranties, including but not limited to warranties of merchantability and fitness for a particular purpose.**

9. The Subscribed Services will be hosted by Accela on Accela-owned equipment at a physically-secure commercial third-party hosting facility. Accela will perform system administration duties as required to maintain the service levels described below and to facilitate timely restoration of Customer's data and operations, if necessary, following unanticipated interruptions of the Subscribed Services. Accela will implement suitable network security measures to minimize the likelihood of unanticipated interruptions of the Subscribed Services as set forth in Appendix A.
10. Accela will endeavor to provide Customer with no less than twenty-four (24) hours' notice prior to Subscribed Services unavailability due to planned maintenance (other than during Accela's standard maintenance window between the hours of 9:00 PM [21:00] Thursday and 1:00 AM [1:00] Friday Pacific time); Accela will endeavor to provide as much notice as is practicable under the circumstances for updates and fixes which may be applied on a more urgent basis. Accela will provide five (5) business days' notice prior to any planned network, server hardware, operating environment, or database modifications of a material nature.
11. Excluding the foregoing events, Accela warrants that the Subscribed Services will be available no less than ninety-nine point nine percent (99.9%) of each calendar month. For each month during which the availability of the Subscribed Services does not achieve the established standard, Accela will provide a credit to Customer's account as calculated pursuant to Section 12 below,

provided that the substandard availability is timely identified by Customer in writing, can be objectively verified, and the Subscribed Services are being used in live-production. Credits accumulated pursuant to this Section may be applied to additional Accela products and/or services, but will not be refunded to Customer.

12. The performance requirements for the Subscribed Services, excluding planned maintenance downtime, are below. Uptime is calculated on a calendar month basis as $U = O / (M - P) * 100$, where U is Uptime, O is the amount of operational uptime for the Subscribed Services during a given month, M is the number of minutes in the month, and P is the number of minutes of planned downtime during the month. Credits are calculated on pro-rated monthly fees.

<i>Uptime</i>	<i>Credit</i>
≥99.9%	None
<99.9% but ≥99.0%	15%
<99.0% but ≥95.0%	35%
<95.0%	100%

13. In support of the Subscribed Services, Accela will provide Customer with a) a telephone number to contact the Customer Resource Center (CRC), Accela's live technical support facility, which is available from 4:00 a.m. until 6:00 p.m. Pacific time Monday through Friday, excluding Accela's observed holidays; b) one or more electronic mail addresses to which Customer may submit routine or non-critical support requests, which Accela will address during its regular business hours; and c) access to archived software updates and other technical information in Accela's online support databases, which are continuously available. Where support is needed to address non-functioning or seriously impaired Services and there is no reasonable workaround available, Accela will promptly respond to the support request and use

commercially reasonable efforts to provide updates toward resolution of the issue.

14. The following are not covered by these Terms, but may be separately available at rates and on terms which may vary from those described herein: a) Services required due to misuse of the Subscribed Services; b) Services required by Customer to be performed by Accela outside of Accela's usual working hours; c) Services required due to external factors including, but not necessarily limited to, Customer's use of software or hardware not authorized by Accela; or d) Services required to resolve or work-around conditions which cannot be reproduced in Accela's support environment.
15. Customer warrants that it owns or has been authorized to provide the data to Accela. Customer retains full ownership of said data and grants to Accela a limited, nonexclusive, nontransferable license to use said data only to perform Accela's obligations in accordance with these Terms.
16. Throughout the term of the agreement, upon the request of Customer, Accela will provide Customer with:
- (i) a copy of its data in a database dump file not more than once per calendar quarter,
 - (ii) an APO property conversion upload, not more than twice per annual term, and
 - (iii) a Crystal Report placement not more than ten (10) times per annual term.

Within thirty (30) calendar days following the end of its final Subscribed Services term ("End of Term"), Customer may request that Accela provide a complete copy of Customer's data and associated documents, as updated or modified by Customer's use of the Subscribed Services, in a database dump file format. Accela will comply in a timely manner with such

request, provided that Customer a) pays all costs of and associated with such copying, as calculated at Accela's then-current time-and-materials rates; and b) pays any and all unpaid amounts due to Accela.

17. Subject to the limitations of Section 6, Customer may authorize access to the Subscribed Services by creating unique user names and passwords ("Logins") up to the number of users indicated in the Order.
18. Each Login must be assigned to a single individual and may not be shared or used by more than one such user. Customer may reassign any Login to another individual, provided that such reassignments do not circumvent the "single individual" requirement described in this Section.
19. Customer acknowledges that transmissions and processing of Customer's electronic communications are fundamental to Customer's use of the Subscribed Services. Customer further acknowledges that portions of such transmissions and processing may occur within various computer networks not owned or operated by Accela. Customer agrees that Accela is not responsible for any delays, losses, alterations, interceptions, or storage of its electronic communications which occur in computer networks not owned or operated by Accela.
20. Either party may end Customer's access to the Subscribed Services if the other materially breaches these Terms and, after receiving a written notice describing the circumstances of the default, fails to correct the breach within thirty (30) calendar days. Upon any termination for cause by Customer, Accela will refund any prepaid subscription fees covering the remainder of the subscription term after the effective date of termination.

21. "Disclosing Party" and "Recipient" refer respectively to the party which discloses information and the party to which information is disclosed in a given exchange. Either Accela or Customer may be deemed Disclosing Party or Recipient depending on the circumstances of a particular communication or transfer of information. "Confidential Information" means all disclosed information relating in whole or in part to non-public data, proprietary data compilations, computer source codes, compiled or object codes, scripted programming statements, byte codes, or data codes, entity-relation or workflow diagrams, financial records or information, client records or information, organizational or personnel information, business plans, or works-in-progress, even where such works, when completed, would not necessarily comprise Confidential Information. The foregoing listing is not intended by the Parties to be comprehensive, and any information which Disclosing Party marks or otherwise designates as "Confidential" or "Proprietary" will be deemed and treated as Confidential Information. Information which qualifies as "Confidential Information" may be presented to Recipient in oral, written, graphic, and/or machine-readable formats. Regardless of presentation format, such information will be deemed and treated as Confidential Information. Notwithstanding, the following specific classes of information are not "Confidential Information" within the meaning of this Section: a) information which is in Recipient's possession prior to disclosure by Disclosing Party; b) information which is available to Recipient from a third party without violation of this Section or Disclosing Party's intellectual property rights; c) information which is in the public domain at the time of disclosure by Disclosing Party, or which enters the public domain from a source other than Recipient after disclosure by Disclosing Party; d) information which is subpoenaed by governmental or judicial authority; and e) information subject

to disclosure pursuant to a state's public records laws. Recipient will protect the confidentiality of Confidential Information using the same degree of care that it uses to protect its own information of similar importance, but will in any case use no less than a reasonable degree of care to protect Confidential Information. Recipient will not directly or indirectly disclose Confidential Information or any part thereof to any third party without Disclosing Party's advance express written authorization to do so. Recipient may disclose Confidential Information only to its employees or agents under its control and direction in the normal course of its business and only on a need-to-know basis. In responding to a request for Confidential Information, Recipient will cooperate with Disclosing Party, in a timely fashion and in a manner not inconsistent with applicable laws, to protect the Confidential Information to the fullest extent possible.

22. ACCELA WILL, AT ALL TIMES DURING THE AGREEMENT, MAINTAIN APPROPRIATE INSURANCE COVERAGE. TO THE EXTENT NOT OFFSET BY ITS INSURANCE COVERAGE AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, IN NO EVENT WILL ACCELA'S CUMULATIVE LIABILITY FOR ANY GENERAL, INCIDENTAL, SPECIAL, COMPENSATORY, OR PUNITIVE DAMAGES WHATSOEVER SUFFERED BY CUSTOMER OR ANY OTHER PERSON OR ENTITY EXCEED THE FEES PAID TO ACCELA BY CUSTOMER DURING THE TWELVE (12) CALENDAR MONTHS IMMEDIATELY PRECEDING THE CIRCUMSTANCES WHICH GIVE RISE TO SUCH CLAIM(S) OF LIABILITY, EVEN IF ACCELA OR ITS AGENTS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

23. If Accela is delayed in its performance of any obligation hereunder due to causes or effects beyond its control, Accela will give timely notice to Customer of such circumstances and will act in good faith

to resume performance as soon as practicable.

24. Accela may assign its rights and obligations hereunder for purposes of financing or pursuant to corporate transactions involving the sale of all or substantially all of its stock or assets.

25. The Parties expressly disclaim any alternate terms and conditions accompanying drafts and/or purchase orders issued by Customer.

26. Section 5 will survive the End of Term for so long as is required to complete collection of unpaid amounts. The limitations and waivers described in Sections 8, 19, 22, and 27 will survive the End of Term. Section 12 will survive the End of Term for a period of thirty (30) calendar days. Section 16 will survive the End of Term for a period of thirty (30) calendar days or for so long as is required for Accela to complete its response to a Customer request made during said thirty-days period. Section 21 will survive the End of Term for a period of two (2) years. With the exceptions of the foregoing surviving sections, the remainder of these Terms will terminate at the End of Term.

27. If any particular provision of these Terms is determined to be invalid or unenforceable, that determination will not affect the other provisions, which will be construed in all respects as if the invalid or unenforceable provision were omitted. No extension, modification, or amendment of these Terms will be effective unless it is described in writing and signed by the Parties.

28. Accela represents to Customer that as part of its standard operating procedures, Accela complies with the requirements of the most current published version of the Payment Card Industry Data Security Standards (PCI-DSS) with respect to any and all services it shall provide Customer that include processing, storing, and/or transmitting credit card-holder data. Those Standards are hereby incorporated by reference herein, and each updated version thereof shall be deemed to be automatically

incorporated by reference herein upon adoption by the Payment Card Industry Security Standards Council or successor thereto. Accela's subscription services shall be certified each year for PCI-DSS compliance. Accela represents that it shall comply with all PCI-DSS operating standards and procedures and shall verify, in writing, its compliance with this section upon Customer's request not less than once per calendar year during the term of this Agreement.

EXHIBIT 2

Registration Agreement

NOTE: A COPY OF THIS REGISTRATION AGREEMENT MUST BE DULY SIGNED BY AN AUTHORIZED SIGNATORY AND RETURNED TO ESCROW AGENT BEFORE A LICENSEE CAN CLAIM PROTECTION UNDER THE RELEVANT DEPOSIT ACCOUNT.

Agreement between:

- (1) Accela Inc, whose principal office is at 2633 Carnino Ramon, Suite 500, Bishop Ranch 3, San Ramon, California 94583, USA ("**Licensor**");
- (2) NCC Group, Inc., a corporation organized and existing under the laws of Virginia with its principal office at 123 Mission Street, Suite 900, San Francisco, California 94105, USA ("**Escrow Agent**"); and
- (3) Licensee's Name: City of Brea, a municipal corporation, located at 1 Civic Center Circle ("**Licensee**");

Agreement:

1. This registration agreement ("**Registration Agreement**") is supplemental to the terms and conditions of the multi licensee deposit account software escrow agreement number 43316 dated 22 May 2009 ("**Escrow Agreement**") and the Deposit Account Agreement(s) (as defined in the Escrow Agreement) number(s) 43317 dated 19 June 2009, 43318, 43319, 43320, 43321 dated 22 June 2009, 43988 dated 31 August 2009 and 46254 dated 27 August 2010, all between Licensor and Escrow Agent.
2. This Registration Agreement, the Escrow Agreement and the relevant Deposit Account Agreement(s) together shall form a binding agreement between Licensor, Escrow Agent and Licensee in accordance with the terms of the Escrow Agreement and as amended below.
3. Licensor agrees to defend and indemnify NCC Group and to hold NCC Group harmless from and against any claims, suits or other proceedings, actions, losses, liabilities or expenses incurred in connection with the defense thereof (including reasonable attorney's fees), in each case which may be imposed on, or incurred by or asserted against NCC Group in any way arising out of or in relating to this Agreement, provided that Licensor shall not be liable for any portion of any such indemnification amount arising from NCC Group's gross negligence or intentional misconduct.
4. Licensee hereby agrees to take the benefit of, agrees and undertakes to perform its obligations under and be bound by the terms and conditions of the Escrow Agreement, including the payment obligations defined below, as though they were a party to the Escrow Agreement and the Deposit Account Agreement and named therein as a Licensee.
5. Licensor and Licensee agree to compensate Escrow Agent for its services pursuant to this agreement according to the schedule following:

	DESCRIPTION	RATE	LICENSOR	LICENSEE
3	Licensee Registration Fee (per individual Licensee registered and per Deposit Account being registered to, payable upon registration and upon the escrow account's anniversary every year thereafter)	\$790	100%	
5	Licensee Termination Fee	\$75	Nil	100%
6	Release Fee (plus Escrow Agent's reasonable expenses)	\$525	Nil	100%

6. This Registration Agreement shall take effect when Escrow Agent has registered Licensee as a party to the relevant Deposit Account Agreement.
7. The Release Events for the undersigned Licensee are as follows:
 - (i) a receiver, trustee, or similar officer is appointed for the business or property of Licensor; or
 - (ii) Licensor files a petition in bankruptcy, files a petition seeking any reorganization (without confirming immediately in writing to Licensee that it will continue to maintain the Software in accordance with the terms of the License Agreement or any applicable maintenance agreement), makes an arrangement, composition, or similar relief under any law regarding insolvency or relief for debtors, or makes an assignment for the benefit of creditors; or
 - (iii) any involuntary petition or proceeding under bankruptcy or insolvency laws is instituted against Licensor and not stayed, enjoined, or discharged within 60 days; or

- (i) Licensors take any corporate action authorizing any of the foregoing; or
- (ii) any similar or analogous proceedings or event to those in Clauses 6.1.1 to 6.1.3 above occurs in respect of Licensors within any jurisdiction outside the USA; or
- (vi) Licensors cease to carry on its business or the part of its business which relates to the Software; or
- (vii) Licensors or, where relevant, its agent, parent, subsidiary or associated company is in material breach of its obligations as to maintenance or modification of the Software under the License Agreement or any maintenance agreement entered into in connection with the Software and has failed to remedy such default notified by Licensee to Licensors within a reasonable period.

8. The parties hereby agree that the Escrow Agreement shall be amended and varied as follows;

- a. Clause 8 shall be deleted in its entirety and replaced with the following;

8 Disputes

8.1 Upon receipt of the Licensee's notice requesting dispute resolutions pursuant to Clause 7.5 above, NCC Group shall notify the Licensors of the Licensee's request for dispute resolution. Licensors and Licensee shall submit their dispute to a court of competent jurisdiction.

8.2 NCC Group is hereby expressly authorised in its sole discretion to obey and comply with all orders, judgments, decrees so entered or issued by any court, without the necessity of inquiring as to the validity of such order, judgment or decree, or the court's underlying jurisdiction. Where NCC Group obeys or complies with any such order, judgment or decree, NCC Group shall not be liable to Licensee, Owner or any third party by reason of such compliance, notwithstanding that such order, judgment or decree may subsequently be reversed, modified or vacated.

- b. References to 'the state or federal courts in Santa Clara County, California' in Clause 15.2 of the Escrow Agreement shall be removed and replaced with references to 'the state or federal courts in Virginia'.

9. Other than in respect of those parts of the Escrow Agreement varied and amended in this agreement, the terms and conditions of the Escrow Agreement shall continue in full force and effect

Signed for and on behalf of Brea, CA

Name:

Position: (Authorized Signatory)

Date:

Signed for and on behalf of Accela Inc.

Name:

Position: (Authorized Signatory)

Date:

Signed for and on behalf of NCC GROUP, INC

Name:

Position: (Authorized Signatory)

Date:

APPENDIX A

DATA SECURITY

System Security

Accela takes government IT security into high consideration when it comes to feature design and implementation. We have been working with government agencies for many years, with deployments and configurations throughout the world. We understand the unique complexities each government agency faces at a network security architecture level. We have customers with Civic Platform deployments across a wide range of network configurations (firewalls, routers, servers, clusters, etc.). This has given us the ability to truly understand how government network security factors into how software works behind the scenes. As we continue to grow our products and core architecture, our knowledge of government security idiosyncrasies play into key design decisions made and how features are implemented in the product.

The Civic Platform uses industry standard to encrypt all data in transit and at rest to make sure that all client transactions are secure. Data at rest is encrypted using Oracle Transparent Data Encryption with AES-192. We currently support TLS 1.0, 1.1, and 1.2 with strong encryption ciphers (256 bit is supported). Additionally, it stores all passwords in a one-way encrypted hash in the Civic Platform database. SHA is the encryption algorithm used to encrypt passwords. To authenticate users, the Civic Platform will encrypt the password entered by the user at login and compare the encryption hash to the password stored in the database. If the two values match, the user's authentication is considered successful.

All end user communication will be secured with industry standard obtained from a well-trusted, established, certificate authority. As such, all traffic leaving the client's device will be encrypted. For consolidated management and to ease the burden of encryption/decryption on the servers' processors, all SSL traffic will terminate at the load balancers behind the firewalls.

Securing Credit Card Payments

Regarding credit card payments, the Accela Cloud environment is PCI-DSS Level 4 compliant. All credit card transactions processed via our Civic Platform are handled in accordance with PCI-DSS standards. Current transaction levels in the Accela Cloud environment require Accela to self-assess for PCI-DSS compliance. We do this at least quarterly and with every new release of the Civic Platform, and use the industry-standard QualysGuard scanning tool for the assessment. Should transaction volumes exceed the threshold for Level 4 self-assessment in the future, Accela would then engage the services of an Approved Scanning Vendor (ASV) for independent assessment. Accela completes a Payment Card Industry (PCI) Data Security Standard Self-Assessment Questionnaire D and Attestation of Compliance for Service Providers for each completed assessment as required.

Our Civic Platform supports two methods of credit card processing, one being the "gateway" method and the other being the "redirect" method. Most payment processing providers offer both of these options, and each option has a direct effect on PCI-DSS compliance. In the gateway method, Accela supports the entry of required credit card information, which is then passed to the merchant account for processing. At no time does Accela store any credit card information as a part of the gateway method for credit card processing. By contrast, the redirect method redirects users to a third-party

payment processing provider where all credit card information is collected and processed. This method pushes the PCI-DSS liability to the third-party payment processor and essentially makes Accela's Civic Platform "out-of-scope" for PCI-DSS.

Our solution's fees and cashiering functionality support all PCI-DSS requirements and all transactions are date and time stamped as well as indicating who handled the transaction. Additionally, cashier sessions relate a user with a cash drawer where applicable, and track all transactions handled via the cash drawer during a specific cashier session. The fees and cashiering functionality adhere to industry-recognized GAAP rules for monetary transactions.

The system audits critical changes to areas like record or case status, workflow status, fees, payments, and other areas such as conditions, record deletions, and custom data fields to provide for transparency and accountability to the operations of an agency. The system will not allow information once saved in these areas to be deleted or removed but will allow an authorized user to update the information with new data. To adhere to the audit trail's capabilities, the original data as well as the changed data will track who did what and when.

Security logs provide useful information to system administrator and others as to system access and unsuccessful sign-on attempts. The system supports the use of disaster recovery procedures and backup software.

Security Scan

For each major release, Accela performs a system-wide security scan to ensure product compliance and security at the application level. Accela addresses all critical and high severity vulnerabilities in the major release where the vulnerabilities first appear. Accela uses WebInspection 9.1 to perform its security scans, producing an internal report (see Exhibit XX). If an Accela customer uses a different security scanner or a different version of HP WebInspect, different vulnerabilities may appear. In these cases, Accela addresses critical and high severity vulnerabilities in one subsequent hot fix or service pack at a point prior to the implementation's go-live.

We also regularly scan our production external links for vulnerabilities using OpenVAS. This third party open source tool and framework supports many forms of vulnerability testing like open ports, vulnerabilities, passwords, activated but unnecessary protocols, etc.



Aggregate

Report Date: 8/22/ Wednesday

Scan Info

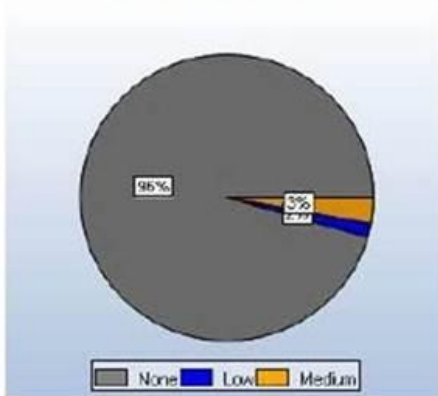
Scan Name	# of Servers	Policy	Date	Duration	Vulns
ACA 720 FP2 Security Scan Report	1	Standard	08/21	18 hrs : 15 mins	153

Server Content

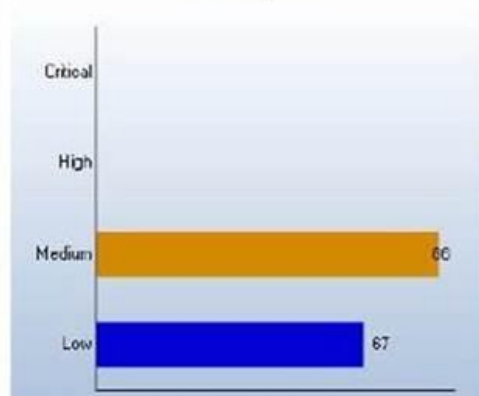
Server	Cookies	Forms	Scripts	External Links	Broken Links	Server Types
http://qa-server17	0	0	0	4646	0	
https://qa-server17	1648	592	585	4646	259	ASP, aspnet, CGI, IIS, PHP
Total	1648	592	585	9292	259	

Vulnerability Summary

Locations With Vulnerabilities



Vulnerability Count

**Vulnerability Count by Server**

Server	Critical	High	Medium	Low
https://qa-server17	0	0	86	67
Total	0	0	86	67

Sample Audit Report

Validation

The Civic Platform is built using a security framework that safeguards against a web site security vulnerability known as 'page impersonation'. The 'page impersonation' security hack is when a hacker puts up a page that looks like one of your application pages (like the login page). The hacker lures users to their version of your page and then submits the data to your server for the user, but in the meantime captures any data the user enters. Hackers use this to gain access to accounts by sending out fake login pages to secure sites in attempts to phish for data. The security framework within the Civic Platform prevents this type of impersonation from occurring.

Each page in the Civic Platform has a custom security token generated specific to the viewing user that must be present and validated when the page data is submitted to the Civic Platform. For example, when the Civic Platform login page is requested, a page level security token is generated for the viewing user and IP address, then embedded in the HTML response. Upon submittal of the login page the security token must exist, must be submitted within a specific time period, and must be valid for the submitting user. This level of security provides the highest level of protection against fraudulent activity.

User Security

Administrators can
manage permissions at
[99064323](#)

Accela's Civic Platform provides a multi-level security system where the system administrator has full control on user access. This control on user access is granted based on a single user logon ID and grants that user specific rights and privileges to the system. Our Civic Platform also allows system administrators to set up groups or roles and set security based on those such as read only, update or no access. Our security goes beyond this setup to the functional level, allowing administrators to set security down to a specified function. For example, an Investigator may have read-only access in Land Management, but no access to "Add Fees". These rights and privileges can be extended to internal users, other departments, outside agencies, and even public citizens and applicants to safeguard the sanctity of system information.

Individuals as well as groups can have one or more distinct security rights and system administrators can have universal rights and privileges or assign such rights to other designated and duly authorized users. These rights and privileges can be extended to internal users, other departments, outside agencies, and even public citizens and applicants to safeguard the sanctity of system information.

User group security features include:

- Each named user is explicitly part of one or more user groups
 - + Each user group has specific, agency-configured access to functionality according to Functional ID (no access, full access, read only access)
 - + There are hundreds of Function IDs that are separately configurable for each user group
 - + User groups can be created to be very general and include a large number of people and can also be created to be very specific and include a small number of people (even one person)
- Console display and other user interface elements are configurable so that named users are not presented with data or functionality that they are not entitled to access
- Field level configurability is available at the agency, department, module, user, and field level for agency-defined custom fields. Other more subtle areas include:
 - + Form Level: The ability to restrict read, write, create and/or delete access to entire forms/sections of the application such as preventing a user from viewing the Audit Log within the Permit module or not allowing a user to edit Inspections of any type.
 - + Field Level: The ability to restrict read, write and/or masking at the individual field level of virtually any field in the system such as preventing a user from seeing the Risk Score for a particular Contractor or masking a Social Security Number.

- + **Record Type:** The ability to restrict read, write, create and/or delete access to individual Record Types (across all 4 tiers of record type definition) such as the ability to restrict a Gas Customer Service Representative (CSR) from editing an Electrical Permit.
- + **Attachment Categories:** The ability to restrict read, write and/or delete rights to dependent on the Categorization of an attached document such as restricting the exposure of Transcripts attached to a Contractor License application to only those who need to review them.
- + **Report Security:** The ability to restrict the visibility and execution of reports such as limiting financial reports to only be run by those in Finance.
- + **Workflow Security:** The ability to define the management scope for individual Workflow Tasks; including the ability to adjust the access control based on the specific status of the Workflow Tasks.

Accela Cloud Security

Operated by Equinix in San Jose, CA, our Tier III data center provides superior physical, environmental, and logical security controls. This facility boasts a greater than 99.9 percent uptime during the past two years. The below table indicates our planned controls for different kinds of security threats. *For more details, please review this facility's specifications as well as a recent PCI compliance report at the end of this section.*

Accela's Security Control by Threat

Brute Force Attacks Performing an exhaustive search of all possible values for a security credential or attribute (such as a key, password or passphrase).	The Civic Platform allows an agency to define strict password requirements as well as lock the user account after a set number of failed login attempts.
Bypass Bypassing system security functions and mechanisms.	System forces access to resources by HTTPS with 256 bit data encryption. Also, system uses servlet/HTTP module authentication function to ensure each request has a valid user authentication.
Denial of Service Overloading the network and/or system resources.	Firewall and IDS systems have checks that throttle the number of incoming connections requiring proper SYN/ACK communications. If those are not met, they tend to dynamically block that IP.
Hijack Commandeering one side of an existing authenticated connection.	System always changes session id during login/logout. System adds a token that is used for validating each request.
Malware Deploying malicious software developed for the purposes of doing harm to a computer system or network (such as viruses, Trojan horses, backdoors, and so on).	All deployed host systems run Symantec Antivirus for scanning and removal of identified malicious software.
Man In the Middle Attacks Inserting undetected between two connections, where the attacker can read, insert and modify messages at will.	SSL certificates signed by GoDaddy and only available to Accela ensure that a Man in the Middle Attack is not successful.
Unauthorized Physical Access	All data is stored in Peer 1's CSAE 3416 Type II

Leading to physical damage to or destruction of an asset.	data center.
Privilege Escalation Causing an unauthorized elevation of privilege.	Civic Platform features strong user access controls in which users and groups are assigned specific access criteria. Changing of such criteria requires authorization from system administrators and adheres to your organization's policy on assigning user privileges.
Replay Creating an unauthorized replay of captured traffic.	System adds a new token which is used for validating each request meaning token in captured request is no longer valid.
Spoofing Impersonating an authorized user or asset.	IP spoofing is monitored by system firewalls. User spoofing is controlled with password controls.
Tampering Modifying, in an unauthorized manner, system data, business data or configuration information.	Only authorized users have access to the system. No others are authorized for system access.

All data is stored in secured data centers that are both physically secure and remotely secure via two-factor authentication. Data is never made accessible to anyone but the client agency unless it is to previously agreed upon third party contractors directly performing work on behalf of Accela and/or the agency and who are under non-disclosure agreements.

What measure are in place to ensure security and privacy in using social media? Please describe in detail.

The Civic Platform uses HTTPS connectivity to post messages to Twitter and Facebook. The account used to post messages is configurable within the product. We recommend customers use social media accounts associated with the agency and not individual social media accounts. Posts to Twitter and Facebook are one-way with no ability to connect back to the origin of the posting keeping the infrastructure secure. As part of posted messages a link to the publicly accessible web interface, Accela Citizen Access, can be configured to point viewers at more information about the posting. Accela Citizen Access is deployed within an agency's DMZ network zone and can be configured to allow viewing of certain information anonymously or require users to register and authenticate before viewing. All interactions with Accela Citizen Access are done using HTTPS connectivity secure the transmission of data.

Accela Citizen Access is capable of being deployed as a Facebook application making it accessible within Facebook. Users are able to authenticate with their Facebook credentials. When deployed using this configuration all actions performed by the user are private to the user. The user's Facebook friends are not able to see what interactions the user is making with the application. Users can optionally share their information from within Accela Citizen Access as a Facebook post or Twitter message. It is up to the user to invoke the action to share on one of these social media platforms. The system does not anonymously post on behalf of any users of the application or try to capture any of their private social media information for re-use. All actions within the social media platform are performed by the user voluntarily.

Firewall/Port Conflicts

Ideally, no such conflict will exist as each public web service will have its own public IP address and will listen on port 443 thus providing a unique socket for traffic to ingress on.

Explain the system's quarantine functions and /or strategy, including how files and attachments are scanned for virus. Include virus & spyware detection software provided or recommended.

Documents can be scanned by antivirus applications prior to their acceptance into Accela Civic Platform. The only known antivirus solution to have previously caused conflicts with a running Windows server (and not because the server hosted Accela Civic Platform) was ESET.

What are the rules for establishing and maintaining user names and passwords?

All users passwords are stored in a one-way SHA encryption hash preventing unwanted access to any users passwords. The application allows administrators to configure the minimum and maximum length requirements for users passwords, number of failed login attempts before locking, and how long before idle sessions time out. Username and Passwords are not allowed to contain any special characters.

Incorrect entry of (a) username and/or (b) password and/or (c) CAPTCHA and/or (d) security question in Accela Citizen Access results in a message such as "An Error has occurred. Invalid Username or Password." displayed to the user. Incorrect entry of any one of the listed items prevents login. When the number of unsuccessful login attempts exceeds the configured number of permitted login attempts the account becomes locked, requiring agency admin intervention to reactivate the account.

How does the system protect the application data from access when at rest?

All data at rest is stored within the Civic Platform database. Following Accela's best practice configurations for network security the database should be deep within an agencies network with different levels of security protecting access to the database. Accela recommends creating a database user that owns the actual Accela schema in the database and then additionally creating another user who has public synonym access to the objects in the Civic Platform schema. The Civic Platform can then be configured to use this secondary user name to help prevent unwanted access to the database. Sensitive information like passwords, social security numbers, and tax ids are stored encrypted in the database.

For data in motion, all transmissions between the user and Accela Citizen Access are encrypted with commercial strength SSL certificate (128 or 256-bit), regardless of whether the browser is domestic or export grade.

1. Describe how the System restricts unauthorized use, reports viewed over the Intranet and data access via the Internet.

The entire Accela Civic Platform is web-based and web-accessed. Authority to access the system and to view data, perform work or change existing information is governed by the rights and privileges your System Administrators will grant all users. This includes applicants and others who may access the system through its web portal. Using the security model described Accela has not had a single reported case of unauthorized user access. Access to system reports and the ability to run reports is similarly controlled by user privileges. Under the system web portal, Accela Citizen Access, the County has the ability to decide what documentation is made available to these external users for viewing.

2. Describe the System's access logs, logs of administrative actions, intrusion detection and reporting, auditing, reporting at the following levels of authorization: County, division, department, section or group, role, person, form or screen, file or database, and field or column.

The Civic Platform provides multiple levels of auditing capability. Enabling or disabling the auditing capability is done through a simple configuration setting at the system level. Rather than relying on system logs, database logs, transaction logs or process logs to track audit information, the audit data is stored in a system database table.

For solution users, the system audits user login and logout session information which includes user name, user's machine IP, login from product, login date time, session expiration date time, etc. The solution also can be configured to disable user accounts after reaching a preset number of failed login attempts.

For solution resources, the system provides auditing on most important data at data field level and record level. The before/after value of the audited fields and the date/time of the action occurred are recorded in an audit table. Users with permission can query the audit table to review the audit data. The system stores all transaction data in RDBMS that allow system to utilize database level auditing as well.

The system does not have an active approach or mechanisms to detect and alert failed auditing compromise attempts. The system does have functional components such as text message and email as alert notice tools that can be utilized to set up alert monitoring.

For intrusion detection with the Accela-hosted option, Accela uses IDs at the firewall levels as well as internally on the back end systems via file system integrity monitors and antivirus systems.

3. Describe the System's database level security.

Security at the database level can be structured to use login accounts that have only the read and/or read/write privileges needed to operate the Accela Civic Platform. Users do not log in to the database directly with any database-level account.

4. Describe how the System allows administrators to specify what types of activity require supervisory control and override.

Security permissions are dependent on an agency's business rules. Security for the entire system and for all privileges given to individual or group end users is determined by the County's business rules and enacted using the system Admin Tools.

6. Describe how the System supports authenticating users with a user ID and password via integration with Active Directory and using Active Directory groups to restrict access to specific users.

For on-premise customers, Accela's Civic Platform includes support for LDAP and Active Directory repositories as the authentication source for users. When the Civic Platform is configured to use an external directory server users are prompted by the application for their username and password which are then authenticated against the directory server providing a single point of administration for users. However, Active Directory user groups have no relation to security groups within the Accela application.

Named user authentication features include:

- ➡ Named users must have a unique user name. Attempts to create a named user with a user name that is already in the system result in a message such as *"The user already exists. Please try another user name."*
- ➡ An agency can set named user passwords to expire within a designated time frame (password timeout time frame = n days)
- ➡ An agency can allow/prevent passwords to be changed by each named user (if an agency prevents a password form being changed by the named user then the password must be changed by agency staff)
- ➡ An agency can configure a named user account to be locked after a designated number of failed login attempts within a designated period of time

Single sign-on is supported between the classic and screen-based web interfaces. Components such as Accela GIS and reporting also support this integration. These are the only out-of-the-box SSO solutions. A user logged in to the Civic Platform for instance does not automatically login to Citizen Access or vice-versa.

Describe the mechanisms for Authentication within the system, including but not limited to multi-factor authentication, identity management, and any others.

Accela Citizen Access uses a combination of registered public user authentication and role-based permissions to ensure that members of the public or other non-agency personnel have access to data and functionality that they are authorized to access and do not have access to data and functionality that they are not authorized to access.

Registered public user authentication

- ➡ Registered public users must have a unique user name. Attempts to register with a user name that is already in the system result in a message such as “User Name: The username entered is already in use ...” displayed to the user and registration is not permitted
- ➡ An agency can use CAPTCHA as a method of multi-factor authentication for account registration and also for login
- ➡ An agency can use security questions and answers as a method of multi-factor authentication for login
- ➡ An agency can set public user passwords to expire within a designated time frame (password expires in n days)
- ➡ An agency can configure a public user account to be locked after a designated number of failed login attempts within a designated period of time (lock account after x failed attempts in y hours)

Role-based permissions

- ➡ An agency can allow a subset of data and functionality to be accessible to all users (i.e., anonymous access) and allow another set/subset of data and functionality to be accessible only to registered public users
- ➡ An agency can configure more granular permissions according to the role of the user and the type of data or functionality. Examples of data and functionality include:
 - + Permission to create records of a specific type
 - + Permission to request a specific set of services
 - + Permission to attach documents to a record
 - ☐ Permission to attach a specific type of document to a record
 - + Permission to view records of a specific type
 - ☐ Permission to view specific information for a record, such as contact information, inspection history, attachments, or payment information
 - + Permission to schedule, reschedule or cancel inspections
 - ☐ Permission to schedule, reschedule or cancel specific types of inspections
 - + Permission to make payments
 - + Permission to access agency-defined custom fields at the agency, module (department), group, or user level

Examples of roles include:

- ➡ All public users (anonymous and also registered)
- ➡ Registered users only
- ➡ The creator of the record
- ➡ The owner of the property
- ➡ Licensed professionals

7. Describe how the System tracks and reports both qualified and unqualified user attempts to enter the System.

Security logs provide useful information to system administrators and others as to system access and unsuccessful sign-on attempts. Accela records login attempts (both failed and successful) within tables in the Accela database. These tables can be used for reporting purposes, as there is no default notification of failed login attempts to any user.

8. Does the System's ability to automatically log a user off, if workstation is inactive (not keying) for a configurable period of time.

Yes. The system will automatically log off end users after a configurable interval of time has elapsed. To return, the end user must log on again using his/her login credentials.

9. Describe how an administrator would terminate the user ID or security profile of any employee who loses authorization to access the system.

System Administrators can terminate an individual or group of users by enacting this change using the system Admin Tools. After this deletion takes place, the end user's login credentials would no longer provide system access.

If the on-premise system is configured to use Active Directory for authentication the user can be deactivated in Active Directory. Upon deactivation in Active Directory the user will no longer be able to login to the system.

11. Describe the System's ability to provide automated tracking and control of any required software distribution processes.

The Accela Civic Platform is an entirely web-based and web-accessed software system. Once installed on a server, all access to the system and its components is provided by the rights and privileges the County's system administrators assign to each individual user or to groups of users. For this reason, this requirement is not applicable as there are no "software distribution" duties.

Accela Mobile clients upon login, however, can check for new software updates from the Accela Mobile server. Upon finding an update, the end user is prompted to install the update.

13. Describe how the System provides for non-display of passwords when typed on-screen and in the database.

By design, the system does not display passwords when typed on-screen. This is done using field level masking common to web applications. Passwords are stored in the database as encrypted values.

14. Describe the System's ability to support industry acceptable SSL, S-HTTPS secure encryption.

Accela uses industry standard SSL encryption to keep data in transit protected and make sure that all client transactions are secure. All web based products offered by Accela support SSL.

Explain the services provided to monitor the application(s), network and servers. What tools are used to provide these services?

Accela uses a number of monitors including proprietary monitors and third-party tools. Some of the notable third-party tools include Solarwinds Database Performance Analyzer, OSSEC, Veeam, Zenoss, and ActiveXperts.

Describe the security model for users accessing Permit and License data from 3rd party components (e.g. ESRI Desktop), or access to other 3rd party applications.

Users accessing Accela Civic Platform from ESRI Desktop must use the Accela Extension for ESRI Desktop. With the extension installed, on-premise users will be prompted to authenticate with the Civic Platform using their username and password. In the case where the Civic Platform is configured to use Active Directory this will be their Active Directory username and password. Communication between the other components is done using SSL/HTTPS with the password encrypted.

Third party systems interfacing with the Civic Platform use the GovXML API provided with the system. GovXML is a Web Service interface providing an authentication service for granting access to the APIs functions. Authentication is done using a valid username and password defined in the Civic Platform (or if using Active Directory a valid user in the directory). Communication using the API is done over SSL/HTTPS with the password encrypted.

How will authentication be addressed in a multi-forest environment for self-hosting and/or vendor hosted solutions?

Self-hosted agencies can enable LDAP support to take advantage of Active Directory authentication in the Civic Platform. Agencies using the Accela Cloud use credentials that are unique to each agency.

Describe your recommendations for ongoing system security management (post-installation). Typically, what periodic and ad-hoc system management activities are required? What skills and resource levels (FTEs) are recommended?

Pre-authorization for security changes at the application level

- ➡ This applies to both new users and existing users and should be considered a mandatory policy. In other words, Accela recommends that there is a formal authorization process in place for creating new users, making permissions changes to an existing user, or similar. This is to make sure any permission change is justified, audited and tracked properly before it actually takes place. This process should be directed from the business unit.
- ➡ Required skills: general process management and understanding of Accela security at the system level
- ➡ FTEs: 8-16 hours per month. This is based on 100 transactions of security changes per month and 15 min per each transaction

Pre-authorization for security changes at the OS level (on premise deployment only)

- ➡ This is different from the security auditing on the application level. It applies to the System Operating System level. In a similar fashion, there should be a certain level of formal authorization process in place. This is to make sure any permission change to Operating System is justified, audited and tracked properly before it actually takes place. This process should be more from the business area. This is particularly very important if the system is co-hosted with other systems.
- ➡ Required skills: System Admin
- ➡ FTEs: 4-8 hours per month

Monthly security review at the application level

- ➡ This is to review all permission setups after the fact
- ➡ Required skills: general process management and understanding of Accela security at the system level
- ➡ FTEs: depending on volume of security changes. 1-2 hours per month.

Monthly security review at the OS level (on premise deployment only)

- ➡ This is to review all permission setups after the fact
- ➡ Required skills: System Admin
- ➡ FTEs: 2-4 hours per month

Monthly OS security event review at the OS level
(on premise deployment only)

- ➡ This is to review security related events at the OS level to detect any attempted malicious attacks.
- ➡ Required skills: System Admin
- ➡ FTEs: 2-4 hours per month

OS level security patching (on premise deployment only)

- ➡ This should be considered an ad-hoc process
- ➡ Required skills: System Admin
- ➡ FTEs: 2-4 hours per patch

In addition, the following practices are required:

- ➡ All network ports should be closed unless it is explicitly required
- ➡ Firewall software and antivirus software should be installed and patched regularly
- ➡ Any required third-party software should be patched regularly per vendor instructions
- ➡ Exit process for users
- ➡ Standard OS/DB level monitoring for storage and performance, and computer health
- ➡ Turn off Windows services unless it is explicitly required
- ➡ Apply HTTPS for any website for confidential data (FTPs for file share)

Firewall Security

The server tiers are split up by a firewall in between the Web tier and the application and database tiers. External to the overall application is the cloud facilities firewall, which is configured to allow only access to the Web tier. Since Accela currently hosts the data for 100+ governmental clients, all data is logically separated within our servers specific to their jurisdiction IDs. The Civic Platform and its associated components enforce client isolation such that no client is able to access or view the data of any other client.

All employees who work on the application will be required to sign non-disclosure agreements. Access to data will be limited to employees working on the application and no others.

Accela employs a security strategy of “least minimums.” For instance, the least minimum secure ports needed for traffic processing are enabled and allowed at the firewalls. Policies supporting VPNs are locked down to the least minimum individual servers and ports responsible for the traffic. End users are given the least minimum privileges needed to perform their work and so forth. We periodically update all systems with the latest firmware and software patches needed to ensure a secure and safe environment.

Additionally, all servers have endpoint protection such as antivirus software enabled that stays current with definition and engine files.

Authentication Controls

Accela's Civic Platform supports a very fine-grained access control system. There are four basic levels of security: agency, module, group, and user. Users can belong to groups that can belong to modules, which belong to the agency. Security can be applied at every level via functional identifiers (FIDs).

The Civic Platform provides a multi-level security system where the system administrator has full control on user access. This control on user access is granted based on a single user logon ID and grants that user specific rights and privileges to the system. The Civic Platform also allows system administrators to set up groups or roles and set security based on those such as read only, update or no access.

For on-premise (agency-hosted) customers, the Civic Platform includes support for LDAP and Active Directory repositories as the authentication source for users. When the Civic Platform is configured to use an external directory server, users are prompted by the application for their username and password, which are then authenticated against the directory server providing a single point of administration for users.

Data Encryption Capabilities

Accela uses industry standard SSL encryption to keep data in transit protected and make sure that all client transactions are secure.

To assist further in security compliance, Accela employs industry leading Web Application security assessment tools such as HP WebInspect to perform thorough scan testing of our software as part of our product development cycle and regularly scans our production external links for vulnerabilities using OpenVAS. This third party open source tool and framework supports many forms of vulnerability testing like open ports, vulnerabilities, passwords, activated but unnecessary protocols, etc.

Regarding credit card payments, all financial transactions performed on Accela Civic Platform are PCI-DSS compliant. The solution is PCI compliant. The PCI DSS provides the guidelines and requirements relating to the processing, transmission, and storage of credit card/cardholder data. Accela has recently completed an assessment for the PCI DSS for its Cloud solutions, and is in the process of certification for the Payment Application Data Security Standard (PADSS) (formerly known as Payment Application Best Practices [PABP]). *We have provided a recent PCI compliance report at the end of this section.*

A tenet of PCI DSS compliancy is that the system may not retain full magnetic stripe, card validation code or value (CAV2, CID, CVC2, CVV2), or personal identification number (PIN) block data. The Accela Civic Platform does not provide hardware interfaces to read magnetic stripe information. In addition, Accela Civic Platform meets PA-DSS requirements for cardholder protection by only storing the last four digits of the credit card number and the authorization code.

It is Accela's policy to utilize Personally-Identifiable Information ("PII") relating to its employees, customers and suppliers only for legitimate, permitted business purposes. Such information will be collected, processed, stored, and transferred among Accela locations worldwide and between Accela and third parties only in a manner that is consistent with Accela's business practices and policies, in compliance with applicable laws, and consistent with contractual commitments.

As a global organization, Accela must maintain certain information and exchange that information among its business units and operations, and with third parties, worldwide. When collecting, processing, storing, and transferring PII, management will be responsible for ensuring that such activity is consistent with business practices and policies that are applicable to the particular type of information and consistent with both applicable privacy laws and Accela's contracts. Particular attention will be given to the administration of sensitive information. Oversight of this policy is the responsibility of the Director of Security and Compliance.

PII means data relating to an identified or identifiable individual where such data is maintained by Accela either as electronic data or data held in structured filing systems, and where the manner of processing creates a risk to personal privacy.

Accela will collect and use PII only for legitimate business purposes. Accela will take reasonable steps to see that such information is collected for specified and legitimate purposes, processed fairly and lawfully, maintained accurately and completely, and deleted or destroyed when specified in applicable laws, contracts, or policies.

Accela will maintain reasonable security measures to protect PII against risks of unauthorized access, or improper destruction, use, modification, or disclosure.

If PII is made available to third parties without consent of the individual, Accela will seek contractual or other arrangements with such third parties as to their obligations regarding the security and privacy of such information, except when such arrangements are not necessary or appropriate, as when PII is made available pursuant to law, regulation, court order, or administrative agency request, or to comply with a legal obligation.

Accela will also implement other appropriate fair information practices regarding PII dealing with (i) providing individuals with appropriate notice regarding Accela's use of such information, and (ii) providing its customers options as to how such information may be used for purposes other than those disclosed at the time the information is collected.

Accela will conduct regular audits to ascertain that PII is used and maintained consistent with this policy. Individuals may bring to the attention of management any questions or concerns regarding compliance with this policy. Accela's business units may only adopt guidelines, policies, or practices which are consistent with this policy.

APPENDIX B

Certificate of Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/10/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER ABD Insurance & Financial Services 3 Waters Park Drive, Suite 100 San Mateo, CA 94403 www.theabdteam.com	CONTACT NAME: Cert Request PHONE (A/C, No, Ext): 650-488-8565 E-MAIL ADDRESS: TechCertRequest@theabdteam.com FAX (A/C, No): INSURER(S) AFFORDING COVERAGE INSURER A: Federal Insurance Company INSURER B: Chubb Indemnity Insurance Company INSURER C: National Union Fire Ins Co Pittsburgh PA INSURER D: INSURER E: INSURER F:	NAIC # 20281 12777 19445
INSURED Accela, Inc. 2633 Camino Ramon Suite 500 San Ramon, CA 94583		

COVERAGES**CERTIFICATE NUMBER:** 38294977**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	3604-91-08	9/1/2017	9/1/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7359-95-44	9/1/2017	9/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7818-52-90	9/1/2017	9/1/2018	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7175-62-53	9/1/2017	9/1/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Errors & Omissions w/ Cyber			01-881-21-80	9/1/2017	9/1/2018	Limit : \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Brea, its officers, employees, elected officials, agents and attorneys included as additional insured with respect to General Liability and Auto Liability, but only as required by written contract or agreement. The policies of the named insured are primary and non-contributory to any insurance available to the certificate holder. Waiver of Subrogation applies to General Liability, Auto Liability, Umbrella Liability, and Worker's Compensation.

CERTIFICATE HOLDER

The City of Brea, its officers, employees, elected officials, agents and attorneys
1 Civic Center Circle
Brea CA 92821

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Rod Sockolov

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ACORD 25 (2016/03)

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City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/17/2017

SUBJECT: Byrne Software Technologies, Inc. Permitting Software Workflow Implementation Contract

RECOMMENDATION

Authorize the contract with Byrne Software Technologies, Inc. for the multi-department permitting system, in the amount of \$72,000.00 for a 1-yr implementation agreement.

BACKGROUND/DISCUSSION

Accela is a land management permit software which the City Council is considering under a separate agenda item. As mentioned in that report, a third party implementation and installation vendor must also be brought on board to facilitate this software into City of Brea operations. Simply, the system does not come customized to Brea's work flow and must be configured in order to calculate local fees, follow city permitting logic, create local reports, generate special permit types, implement geo mapping, and establish intercommunication between existing City systems (e.g. Finance billing systems and Community Development permitting systems). Accela does provide self-directed online training videos/recordings. These training tools will be applicable and helpful but cannot replace the need to customize and implement the City of Brea's work flow. Staff is recommending the approval of the contract for a certified third party implementer, which has always been assumed as a budgeted expenditure for this effort.

In order to provide a successful transition, Accela developed the "Accela Partner Program." Accela works with an ecosystem of innovative companies to help implement their platform and enhance the City's success and experience. The Partner Program helps companies deliver the best local solution that connects government and customers. The program certifies that the partners are adept in the newest Accela software and able to offer the best solution to their client Cities. City staff reached out to several certified Accela Partners via a request for proposal process (RFP). Please see below for the results of the evaluation.

Continued on Next Page

Consultant	Deluxe Install Package	Financial Integration	GIS Integration	Total Cost
Byrne Software Technologies, Inc.	26,620	35,420	2,750	\$64,790
ZedIT Solutions	56,000	45,000		101,000
Avocette	18,000		40,500	75,000
Contingency (10%)				Variable

In addition, staff interviewed these providers to better understand their approaches to implementation, customization, as well as overall “fit” with our staff and to successfully carry out this work. Given the fact that all of the bidders are Premier Accela Partners and are trained and certified with Accela, City staff feels comfortable offering the contract to the lowest bidder Byrne Software Technologies, Inc. But moreover, staff was most impressed by the Byrne team and how they demonstrated a thorough understanding of Brea’s implementations and work flow needs and demands; and expressed commitment to assist us to get the system up and running smoothly as soon as possible.

Byrne has been in business for 32 years and have provided automated solutions that manage business processes and workflows. Byrne Software is a certified Woman-owned Business Enterprise (WBE) and national provider of business and information technology services delivering sustainable value and improving productivity. They are a Business Plus Accela Partner, which is earned by completing specified current and ongoing training, as well as repeated success with projects involving Accela software. They have maintained an exceptional reputation with regard to the work performed for clients. Byrne Software has the expertise and experience to ensure that the City of Brea’s requirements can be fully realized with a solution that meets and exceeds many of the technical and business requirements set forth in the proposal. And, they have local Southern California based staff to provide us hands-on service and meet our needs.

COMMISSION/COMMITTEE RECOMMENDATION

Finance Committee reviewed this item at the September 26, 2017 meeting and recommends for City Council approval.

FISCAL IMPACT/SUMMARY

The initial cost estimates used within staff’s budget assumptions for the Decision Package presented and approved by Council for a permit software system was general. Since that time, work within the staff resource team has identified several customization platform needs for the system not originally anticipated. Most specifically, original estimates did not include the detailed financial integration demands which have been identified for implementation. Therefore, there is a shortfall in the approved budgeted for the Accela installation, as summarized below.

		EXPENSE	BALANCE
Approved Budget			\$83,000.00
Accela Contract		(\$53,000.00)	\$30,000.00
Byrne Contract		(72,000.00)*	(\$42,000.00)
Budget Adjustment Request	\$42,000.00		0.00

*Byrne contract: \$65,000.00 + Contingency \$7,000.00 = (\$72,000.00)

The requested budget adjustment of \$42,000 is necessary to assure that the new system has vital compatibility with other City software systems, most specifically integration with our Finance and billing operations. The costs for all aspects of the system installation are outlined in Byrne's proposal which is attached for consideration.

In order to complete the customization of the Accela land management system, City staff is requesting an additional \$42,000.00 be allocated into the budget for the one-time implementation cost.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Gabriel Linares, PE, Deputy Director/Building and Safety Manager

Concurrence: David M. Crabtree, AICP, Community Development Director

Attachments

Contract

MASTER AGREEMENT

SOFTWARE AS A SERVICE

This agreement ("Agreement") is entered into, to be effective as of October 3, 2017 ("Effective Date"), by and between the CITY OF Brea, a municipal corporation located at 1 Civic Center ("CITY") and **Byrne Software Technologies, Inc** located at [16091 Swingley Ridge Road, Suite 200, Chesterfield, MO 63017] ("CONTRACTOR").

RECITALS

WHEREAS, CITY requires third-party software implementer "software as a service", and related services (the "Services," as further described herein) with respect to certain of its information technology needs;

WHEREAS, CITY requested a proposal from CONTRACTOR for such Services;

WHEREAS, CONTRACTOR has experience and expertise in the business of providing the Services;

WHEREAS, CONTRACTOR submitted a proposal to CITY to perform such Services on behalf of CITY;

WHEREAS, based on CONTRACTOR's superior knowledge and experience relating to such Services, all of which are a material inducement to CITY, CITY has selected CONTRACTOR to provide and manage the Services;

WHEREAS, CONTRACTOR wishes to perform the Services and acknowledges that the successful performance of the Services and the security and availability of CITY's data ("CITY Data," as further described herein) are critical to the operation of CITY's public services; and,

WHEREAS, CONTRACTOR has agreed to provide the Services to CITY, all on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and representations set forth in this Agreement, the parties hereby agree as follows:

1. The Services. This Agreement sets forth the terms and conditions under which CONTRACTOR agrees to customize and implement the Accela hosted software and provide all other services necessary for productive use of such software customization / integration, user identification and password change management, data import / export, system integration with the cities financial system, monitoring, technical support, maintenance, training, backup and recovery, and change management (the "Services") as further set forth in the Statement of Work attached hereto as Exhibit A.
 - 1.1 Authorized Users; Authorized Uses. Unless otherwise limited herein, CONTRACTOR
 - 1.2 Control and Location of Services. The method and means of providing the Services shall be under the exclusive control, management, and supervision of CONTRACTOR, giving due consideration to the requests of CITY. Except as otherwise expressly set forth in Exhibit A, the Services (**including all data storage**), shall be provided solely from within the continental United States and on computing and data storage devices residing therein.

- 1.2.1 Subcontractors. CONTRACTOR shall not enter into any subcontracts for the performance of the Services, or assign or transfer any of its rights or obligations under this Agreement, without CITY's prior written consent and any attempt to do so shall be void and without further effect and shall be a material breach of this Agreement. CONTRACTOR's use of subcontractors shall not relieve CONTRACTOR of any of its duties or obligations under this Agreement.
- 1.2.2 Offensive or Disparaging Content. Where the Services or any web services affiliated with the Services contain offensive content or portray CITY in a disparaging way, either as solely determined by CITY, CONTRACTOR shall immediately remove the offensive or disparaging content and CITY shall have the right, at CITY's sole election, to: (a) immediately terminate this Agreement or any portion thereof corresponding to the offending or disparaging content, and be entitled to a return of any prepaid fees, as liquidated damages and not as a penalty; or, (b) obtain or retain, as the case may be, all fees paid or payable for the entire period of the then-current term, as liquidated damages and not as a penalty, associated with that portion of this Agreement corresponding to the offending or disparaging content.
- 1.3 Development and Test Environments. In addition to production use of the Services, CITY is entitled to one development and one test environment for use by Authorized Users at no additional charge. Such non-production environments shall have the same data storage and processing capacities as the production environment. CONTRACTOR shall cooperate with CITY's requests in managing the non-production environments such as refreshing CITY Data upon request.
- 1.4 Documentation. The documentation for the Services ("Documentation") will accurately and completely describe the functions and features of the Services, including all subsequent revisions thereto. The Documentation shall be understandable by a typical end user and shall provide Authorized Users with sufficient instruction such that an Authorized User can become self-reliant with respect to access and use of the Services. CITY shall have the right to make any number of additional copies of the Documentation at no additional charge.
- 1.5 Changes in Functionality. During the term of this Agreement, CONTRACTOR shall not reduce or eliminate functionality in the Services. Where CONTRACTOR has reduced or eliminated functionality in the Services, CITY, at CITY's sole election and in CITY's sole determination, shall: (a) have, in addition to any other rights and remedies under this Agreement or at law, the right to immediately terminate this Agreement and be entitled to a return of any prepaid fees; or, (b) determine the value of the reduced or eliminated functionality and CONTRACTOR will immediately adjust the Services Fees accordingly on a prospective basis. Where CONTRACTOR has introduced like functionality in other services, CITY shall have an additional license and subscription right to use and access the new services, at no additional charge, with the same rights, obligations, and limitations as for the Services. Where CONTRACTOR increases functionality in the Services, such functionality shall be provided to CITY without any increase in the Services Fees. Unless otherwise defined in Exhibit A.
- 1.6 No Effect of Click-Through Terms and Conditions. Where an Authorized User is required to "click through" or otherwise accept or made subject to any online terms and conditions in accessing or using the Services, such terms and conditions are not binding and shall have no force or effect as to the Services, this Agreement.
2. Service Levels.
- 2.1 Service Levels; Time is of the Essence. For the term of this Agreement, CONTRACTOR shall provide the Services, force majeure events excepted, during the applicable Service

Windows and in accordance with the applicable Service Level Standards, each as described in the Exhibit " ", time being of the essence.

- 2.2 Service Level Reporting. On a monthly basis, in arrears and no later than the fifteenth (15th) calendar day of the subsequent month following the reporting month, CONTRACTOR shall provide reports to CITY describing the performance of the Services and of CONTRACTOR as compared to the Service Level Standards; provided, however, that the CITY Satisfaction Survey Service Level shall be conducted by CONTRACTOR each year on the anniversary of the Effective Date and the results shall be reported to CITY by CONTRACTOR no later than the fifteenth (15th) calendar day of the subsequent month following such anniversary date. The reports shall be in a form agreed-to by CITY, and, in no case, contain no less than the following information: (a) actual performance compared to the Service Level Standard; (b) the cause or basis for not meeting the Service Level Standard; (c) the specific remedial actions CONTRACTOR has undertaken or will undertake to ensure that the Service Level Standard will be subsequently achieved; and, (d) any Performance Credit due to CITY. CONTRACTOR and CITY will meet as often as shall be reasonably requested by CITY, but no less than monthly, to review the performance of CONTRACTOR as it relates to the Service Levels. Where CONTRACTOR fails to provide a report for a Service Level in the applicable timeframe, the Service Level shall be deemed to be completely failed for the purposes of calculating a Performance Credit. CONTRACTOR shall, without charge, make CITY's historical Service Level reports to CITY upon request.

- 2.3 Failure to Meet Service Level Standards. In addition to remedies in Exhibit " ", in the event CONTRACTOR does not meet a Service Level Standard, CONTRACTOR shall: (a) owe to CITY any applicable Performance Credit, as liquidated damages and not as a penalty; and, (b) use its best efforts to ensure that any unmet Service Level Standard is subsequently met. Notwithstanding the foregoing, CONTRACTOR will use its best efforts to minimize the impact or duration of any outage, interruption, or degradation of Service. In no case shall CITY be required to notify CONTRACTOR that a Performance Credit is due as a condition of payment of the same.

- 2.3.1 Termination for Material and Repeated Failures. CITY shall have, in addition to any other rights and remedies under this Agreement or at law, the right to immediately terminate this Agreement, and be entitled to a return of any prepaid fees where CONTRACTOR fails to meet any Service Level Standard: (a) to such an extent that the CITY's ability, as solely determined by CITY, to use the Services is materially disrupted, force majeure events excepted; or, (b) for four (4) months out of any twelve (12) month period.

- 2.4 Audit of Service Levels. No more than quarterly, CITY or CITY's agent shall have the right to audit CONTRACTOR's books, records, and measurement and auditing tools to verify Service Level Standard achievement and to determine correct payment of any Performance Credit. Where it is determined that any Performance Credit was due to CITY but not paid, CONTRACTOR shall immediately owe to CITY the applicable Performance Credit.

3. Support, Maintenance, Additional Services.

- 3.1 Technical Support. CONTRACTOR shall provide the Technical Support described in an Exhibit " ". The Services Fees shall be inclusive of the fees for the Technical Support.

- 3.2 Maintenance. CONTRACTOR shall provide bug fixes, corrections, modifications, enhancements, upgrades, and new releases to the Services to ensure: (a) the functionality of the Services, as described in the Documentation, is available to Authorized Users; (b) the functionality of the Services in accordance with the representations and warranties set

forth herein, including but not limited to, the Services conforming in all material respects to the specifications, functions, descriptions, standards, and criteria set forth in Exhibit " " and the Documentation; (c) the Service Level Standards can be achieved; and, (d) the Services work with the then-current version and the three prior versions of Internet Explorer, Mozilla Firefox, and Google Chrome Internet browsers. The Services Fees shall be inclusive of the fees for maintenance.

3.2.1 Required Notice of Maintenance. Unless as otherwise agreed to by CITY on a case-by-case basis, CONTRACTOR shall provide no less than thirty (30) calendar day's prior written notice to CITY of all non-emergency maintenance to be performed on the Services, such written notice including a detailed description of all maintenance to be performed. For emergency maintenance, CONTRACTOR shall provide as much prior notice as commercially practicable to CITY and shall provide a detailed description of all maintenance performed no greater than one (1) calendar day following the implementation of the emergency maintenance.

3.2.2 Acceptance of Non-Emergency Maintenance. Unless as otherwise agreed to by CITY on a case-by-case basis, for non-emergency maintenance, CITY shall have a ten (10) business day period to test any maintenance changes prior to CONTRACTOR introducing such maintenance changes into production (the "Maintenance Acceptance Period"). In the event that CITY rejects, for good cause, any maintenance changes during the Maintenance Acceptance Period, CONTRACTOR shall not introduce such rejected maintenance changes into production. At the end of the Maintenance Acceptance Period, if CITY has not rejected the maintenance changes, the maintenance changes shall be deemed to be accepted by CITY and CONTRACTOR shall be entitled to introduce the maintenance changes into production.

3.3 Customization / Integration Services. CONTRACTOR shall provide the Customization / Integration Services, as described in Exhibit A. The Services Fees shall be inclusive of the fees for the Customization / Integration Services.

3.4 Training Services. CONTRACTOR shall provide the Training Services, if any, described in Exhibit A. The Services Fees shall be inclusive of the fees for the Training Services.

4. Change Control Procedure. CITY may, upon written notice, request changes to the scope of the Services under Exhibit A. If CITY requests an increase in the scope, CITY shall notify CONTRACTOR, and, not more than five (5) business days (or other mutually agreed upon period) after receiving the request, CONTRACTOR shall notify CITY whether or not the change has an associated cost impact. If CITY approves, CITY shall issue a change control, which will be executed by the CONTRACTOR. CITY shall have the right to decrease the scope and the associated fees will be reduced accordingly.

5. Term and Termination; Renewals.

5.1 Term. This Agreement is legally binding as of the Effective Date and shall continue until terminated as provided for herein. Unless this Agreement A is terminated earlier in accordance with the terms set forth herein, the term of this Agreement (the "Initial Term") shall commence on the Start Date and continue until the End Date.

5.2 Termination for Convenience. Without limiting the right of a party to terminate this Agreement as provided for in this Agreement, a party may terminate this Agreement for convenience upon not less than 10 days prior written notice to the other party.

- 5.3 Termination for Cause. Without limiting the right of a party to immediately terminate this Agreement for cause as provided for in this Agreement, if either party materially breaches any of its duties or obligations hereunder and such breach is not cured, or the breaching party is not diligently pursuing a cure to the non-breaching party's sole satisfaction, within thirty (30) calendar days after written notice of the breach, the non-breaching party may terminate this Agreement for cause as of a date specified in such notice.
- 5.4 Payments upon Termination. Upon the termination of this Agreement, CITY shall pay to CONTRACTOR all amounts due and payable hereunder, if any, and CONTRACTOR shall pay to CITY all amounts due and payable hereunder, such as Performance Credits and prepaid fees, if any.
- 5.5 Return of CITY Data. Upon the termination of this Agreement, CONTRACTOR shall, within one (1) business day following the termination of this Agreement, provide CITY, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to CONTRACTOR), with a final extract of the CITY Data in the format specified by CITY. Further, CONTRACTOR shall certify to CITY the destruction of any CITY Data within the possession or control of CONTRACTOR but such destruction shall occur only after the CITY Data has been returned to CITY. This Section shall survive the termination of this Agreement.
6. Transition Services. Provided that this Agreement has not been terminated by CONTRACTOR due to CITY's failure to pay any amount due CONTRACTOR, CONTRACTOR will provide to CITY and / or to the service provider selected by CITY (such service provider shall be known as the "Successor CONTRACTOR") assistance reasonably requested by CITY to effect the orderly transition of the Services, in whole or in part, to CITY or to Successor CONTRACTOR (such assistance shall be known as the "Transition Services") following the termination of this Agreement, in whole or in part. The Transition Services shall be provided on a time and materials basis and may include: (a) developing a plan for the orderly transition of the terminated Services from CONTRACTOR to CITY or Successor CONTRACTOR; (b) if required, transferring the CITY Data to Successor CONTRACTOR; (c) using commercially reasonable efforts to assist CITY in acquiring any necessary rights to legally and physically access and use any third-party technologies and documentation then being used by CONTRACTOR in connection with the Services; (d) using commercially reasonable efforts to make available to CITY, pursuant to mutually agreeable terms and conditions, any third-party services then being used by CONTRACTOR in connection with the Services; and, (e) such other activities upon which the parties may agree. Notwithstanding the foregoing, should CITY terminate this Agreement due to CONTRACTOR's material breach, CITY may elect to use the Services for a period of no greater than six (6) months from the date of termination at a reduced rate of twenty (20%) percent off of the then-current Services Fees for the terminated Services. All applicable terms and conditions of this Agreement shall apply to the Transition Services. This Section shall survive the termination of this Agreement.
7. Fees; Billing. CITY shall be responsible for and shall pay to CONTRACTOR the fees as further described in Exhibit "A", subject to the terms and conditions contained in this Agreement. Any sum due CONTRACTOR for the Services for which payment is not otherwise specified shall be due and payable thirty (30) business days after receipt by CITY of an invoice from CONTRACTOR.
- 7.1 Billing Procedures. Unless otherwise provided for in herein, CONTRACTOR shall bill to CITY the sums due pursuant to CONTRACTOR's invoice, which shall contain: (a) CITY's purchase order number, if any, and CONTRACTOR's invoice number; (b) description of Services for which an amount is due; (c) the fees or portion thereof that are due; (d); taxes, if any; (e); any Performance Credits or other credits; and, (f) total amount due. CONTRACTOR shall forward invoices in hardcopy format to [CITY Accounts Payable Address].

- 7.2 Taxes. CONTRACTOR represents and warrants that it is an independent contractor for purposes of federal, state, and local taxes. CONTRACTOR agrees that CITY is not responsible to collect or withhold any such taxes, including income tax withholding and social security contributions, for CONTRACTOR. Any and all taxes, interest, or penalties, including any federal, state, or local withholding or employment taxes, imposed, assessed, or levied as a result of this Agreement shall be paid or withheld by CONTRACTOR.
- 7.3 Credits. Any amounts due to CITY, such as a Performance Credit, from CONTRACTOR may be applied by CITY, at the sole election of CITY, against any current or future fees due to CONTRACTOR. Any such amounts that are not so applied by CITY shall be paid to CITY by CONTRACTOR within thirty (30) calendar days following CITY's request. This Section shall survive the termination of this Agreement.
- 7.4 Non-binding Terms. Any terms and conditions included in a CITY purchase order or a CONTRACTOR invoice, as the case may be, shall be deemed to be solely for the convenience of the respective party, and no such term or condition shall be binding upon the parties.
- 7.5 Auditable Records. CONTRACTOR shall maintain accurate records of all fees billable to, and payments made by, CITY in a format that will permit audit by CITY for a period of no less than three (3) years from when a fee was incurred or a payment was made. The foregoing obligation of CONTRACTOR shall survive the termination of this Agreement.
- 7.6 Billing Reviews by Third-Parties. For purposes of determining the competitiveness and appropriateness of fees charged to CITY by CONTRACTOR, CITY is entitled to disclose, to a third-party, this Agreement and any other data pertaining to fees paid or payable by CITY to CONTRACTOR.
- 7.7 No Suspension of Services. CONTRACTOR shall not suspend any part of the Services where: (a) CITY is reasonably disputing any amount due to CONTRACTOR; or, (b) any unpaid but undisputed amount due to CONTRACTOR is less than forty-five (45) business days in arrears.

8. Representations and Warranties.

- 8.1 Mutual. Each of CITY and CONTRACTOR represent and warrant that:
- 8.1.1 it is a business duly incorporated, validly existing, and in good standing under the laws of its state of incorporation;
 - 8.1.2 it has all requisite corporate power, financial capacity, and authority to execute, deliver, and perform its obligations under this Agreement;
 - 8.1.3 the execution, delivery, and performance of this Agreement has been duly authorized by it and this Agreement constitutes the legal, valid, and binding agreement of it and is enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganizations, moratoriums, and similar laws affecting creditors' rights generally and by general equitable principles;
 - 8.1.4 it shall comply with all applicable federal, state, local, or other laws and regulations applicable to the performance by it of its obligations under this Agreement and shall obtain all applicable permits and licenses required of it in connection with its obligations under this Agreement; and,
 - 8.1.5 there is no outstanding litigation, arbitrated matter or other dispute to which it is a party which, if decided unfavorably to it, would reasonably be expected to

have a potential or actual material adverse effect on its ability to fulfill its obligations under this Agreement.

8.2 By CONTRACTOR. CONTRACTOR represents and warrants that:

- 8.2.1 it is in the business of providing the Services;
- 8.2.2 the Services are fit for the ordinary purposes for which they will be used;
- 8.2.3 it is possessed of superior knowledge with respect to the Services;
- 8.2.4 it acknowledges that CITY is relying on its representation of its experience and expert knowledge, and that any substantial misrepresentation may result in damage to CITY;
- 8.2.5 it knows the particular purpose for which the Services are required by CITY;
- 8.2.6 it possesses any and all necessary proprietary rights, and is the lawful licensee or owner of the Services (excluding any CITY Data therein) and has all the necessary rights in the Services, to grant the use of the Services to CITY;
- 8.2.7 the Services and any other work performed by CONTRACTOR hereunder shall not infringe upon any United States or foreign copyright, patent, trade secret, or other proprietary right, or misappropriate any trade secret, of any third-party, and that it has neither assigned nor otherwise entered into an agreement by which it purports to assign or transfer any right, title, or interest to any technology or intellectual property right that would conflict with its obligations under this Agreement;
- 8.2.8 it shall disclose any third-party (which shall, for purposes of this Agreement, be deemed a subcontractor) whose intellectual property is incorporated into the Services or who is necessary for the performance of the Services and it shall maintain in-force written agreements with such third-party, if any, for the term of this Agreement;
- 8.2.9 it has the expertise to perform the Services in a competent, workmanlike, and professional manner and in accordance with the highest professional standards;
- 8.2.10 it will use commercially available means, and its best efforts, to ensure that no computer viruses, malware, or similar items (collectively, a "Virus") are introduced into CITY's computing and network environment by the Services, and that, where it transfers a Virus to CITY through the Services, it shall reimburse CITY reasonable cost incurred by CITY to remove or recover from the Virus, including the costs of persons employed by CITY to effect such remediation; Provided the City has used commercially available means and its best efforts, to ensure that no Viruses can be introduced to City's computing and network environment.
- 8.2.11 in the case of CITY's reasonable dispute of any CONTRACTOR invoice, it shall not withhold the performance of Services, including, without limitation, access and use of the Services, Technical Support, Maintenance, and extract of CITY Data; and,
- 8.2.12 the Services will conform in all material respects to the specifications, functions, descriptions, standards, and criteria set forth in Exhibit " " and the Documentation.

9. CITY Data.

- 9.1 Ownership. Data provided or otherwise made available to CONTRACTOR by CITY ("CITY Data"), which shall also be known and treated by CONTRACTOR as Confidential Information, shall include: (a) CITY's data collected, used, processed, stored, or generated as the result of the use of the Services; and, (b) personally identifiable information ("PII") collected, used, processed, stored, or generated as the result of the use of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements listed herein. CITY Data is and shall remain the sole and exclusive property of CITY and all right, title, and interest in the same is reserved by CITY. This Section shall survive the termination of this Agreement.
- 9.2 CONTRACTOR Use of CITY Data. CONTRACTOR is provided a limited license to CITY Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display CITY Data only to the extent necessary in the providing of the Services. CONTRACTOR shall: (a) keep and maintain CITY Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Agreement and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose CITY Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Agreement and applicable law; and, (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available CITY Data for CONTRACTOR's own purposes or for the benefit of anyone other than CITY without CITY's prior written consent. This Section shall survive the termination of this Agreement.
- 9.3 Extraction of CITY Data. CONTRACTOR shall, within (1) business day of CITY's request, provide CITY, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to CONTRACTOR), an extract of the CITY Data in the format specified by CITY. Unless otherwise defined in Exhibit A.
- 9.4 Backup and Recovery of CITY Data. As a part of the Services, CONTRACTOR is responsible for maintaining a backup of CITY Data and for an orderly and timely recovery of such data in the event that the Services may be interrupted. Unless otherwise described in Exhibit A, CONTRACTOR shall maintain a contemporaneous backup of CITY Data that can be recovered within two (2) hours at any point in time. Additionally, CONTRACTOR shall store a backup of CITY Data in an off-site "hardened" facility within the continental United States no less than daily, maintaining the security of CITY Data, the security requirements of which are further described herein. Any backups of CITY Data shall not be considered in calculating storage used by CITY.
- 9.5 Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of CITY Data or the physical, technical, administrative, or organizational safeguards put in place by CONTRACTOR that relate to the protection of the security, confidentiality, or integrity of CITY Data, CONTRACTOR shall, as applicable unless otherwise defined in Exhibit A: (a) notify CITY as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with CITY in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by CITY; (c) in the case of PII, at CITY's sole election, (i) notify the affected individuals who comprise the PII as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or, (ii) reimburse CITY for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with

applicable law, or, in the absence of any legally required monitoring services, for no less than twelve (12) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting CITY's obligations of indemnification as further described in this Agreement, indemnify, defend, and hold harmless CITY for any and all Claims (as defined herein), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from CITY in connection with the occurrence; (g) be responsible for recreating lost CITY Data in the manner and on the schedule set by CITY without charge to CITY; and, (h) provide to CITY a detailed plan within ten (10) calendar days of the occurrence describing the measures CONTRACTOR will undertake to prevent a future occurrence. Notification to affected individuals, as described above, shall comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of CONTRACTOR's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps CONTRACTOR has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by CONTRACTOR. This Section shall survive the termination of this Agreement.

10. Non-Disclosure of Confidential Information. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section shall survive one year after the termination of this Agreement.

10.1 Meaning of Confidential Information. For the purposes of this Agreement, the term "Confidential Information" shall mean all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was: (a) already in the possession of the receiving party without an obligation of confidentiality; (b) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (c) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (d) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Agreement, in all cases and for all matters, CITY Data shall be deemed to be Confidential Information.

10.2 Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Agreement or to use such Confidential Information for any purposes whatsoever other than the performance of this Agreement. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Notwithstanding any other provision in this Section 12, information required by statute, subpoena, or court order to be disclosed, shall be disclosed only after providing the disclosing party with not less than five (5) business days' prior, written notice of the date of intended disclosure.

- 10.3 Cooperation to Prevent Disclosure of Confidential Information. Each party shall use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party shall advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Agreement and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- 10.4 Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of CITY, at the sole election of CITY, the immediate termination, without liability to CITY, of this Agreement corresponding to the breach or threatened breach. Contractor's total liability shall be limited to the total of the last twelve (12) months of approved invoices.
- 10.5 Surrender of Confidential Information upon Termination. Upon termination of this Agreement, in whole or in part, each party shall, within five (5) calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that CONTRACTOR shall return CITY Data to CITY following the timeframe and procedure described further in this Agreement. Should CONTRACTOR or CITY determine that the return of any non-CITY Data Confidential Information is not feasible, such party shall destroy the non-CITY Data Confidential Information and shall certify the same in writing within five (5) calendar days from the date of termination to the other party.
11. Data Privacy and Information Security.
- 11.1 Undertaking by CONTRACTOR. Without limiting CONTRACTOR's obligation of confidentiality as further described herein, CONTRACTOR shall be responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the CITY Data; (b) protect against any anticipated threats or hazards to the security or integrity of the CITY Data; (c) protect against unauthorized disclosure, access to, or use of the CITY Data; (d) ensure the proper disposal of CITY Data; and, (e) ensure that all employees, agents, and subcontractors of CONTRACTOR, if any, comply with all of the foregoing. In no case shall the safeguards of CONTRACTOR's data privacy and information security program used to protect City Data be less stringent than the safeguards used by CONTRACTOR as to its own data.
- Audit by CONTRACTOR. Unless otherwise agreed upon in writing, no less than annually, CONTRACTOR shall conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to CITY. CITY will reimburse CONTRACTOR reasonable cost to perform a comprehensive independent third-party audit.
- 11.2 Right of Audit by CITY. Without limiting any other audit rights of CITY, CITY shall have the right to review CONTRACTOR's data privacy and information security program prior to the commencement of Services and from time to time during the term of this Agreement. During the providing of the Services, on an ongoing basis from time to time and without notice, CITY, at its own expense, shall be entitled to perform, or to have performed, an on-

site audit of CONTRACTOR's data privacy and information security program. In lieu of an on-site audit, upon request by CITY, CONTRACTOR agrees to complete, within forty-five (45 days) of receipt, an audit questionnaire provided by CITY regarding CONTRACTOR's data privacy and information security program. CONTRACTOR will invoice CITY at its current T&M rate to support the CITY's Audit efforts.

11.3 Audit Findings. CONTRACTOR shall implement any reasonably required safeguards as identified by CITY or by any audit of CONTRACTOR's data privacy and information security program.

11.4 CITY's Right to Termination for Deficiencies. CITY reserves the right, at its sole election, to immediately terminate this Agreement without limitation and without liability if CITY reasonably determines that CONTRACTOR fails or has failed to meet its obligations under this Section.

12. Proprietary Rights.

12.1 Pre-existing Materials. CITY acknowledges that, in the course of performing the Services, CONTRACTOR may use software and related processes, instructions, methods, and techniques that have been previously developed by CONTRACTOR (collectively, the "Pre-existing Materials," which shall include the Services) and that the same shall remain the sole and exclusive property of CONTRACTOR.

12.2 No License. Except as expressly set forth herein, no license is granted by either party to the other with respect to the Confidential Information or Pre-existing Materials. Nothing in this Agreement shall be construed to grant to either party any ownership or other interest, in the Confidential Information or Pre-existing Materials, except as may be provided under a license specifically applicable to such Confidential Information or Pre-existing Materials.

12.3 The provisions of this Section shall survive the termination of this Agreement.

13. Indemnification; Limitation of Liability; Insurance.

13.1 General Indemnification. CONTRACTOR agrees to indemnify, defend, and hold harmless CITY and its elected officials, officers, directors, agents, and employees (each, an "Indemnitee") from and against any and all liabilities, damages, losses, expenses, claims, demands, suits, fines, or judgments (each, a "Claim," and collectively, the "Claims"), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, incurred by, accrued against, charged to, or recoverable from any Indemnitee, by reason of any Claim arising out of or relating to any act, error or omission, negligence, or misconduct of CONTRACTOR, its officers, directors, agents, employees, and subcontractors, during the performance of this Agreement, including, without limitation, Claims arising out of or relating to: (a) bodily injury (including death) or damage to tangible personal or real property; (b) any payment required to be paid to subcontractors, if any, of CONTRACTOR; (c) any material misrepresentation or breach of warranty of any representation or warranty set forth in this Agreement; or, (d) any material breach of any covenant set forth in this Agreement; provided, however, that the foregoing indemnity shall not apply to the extent that the applicable Claim resulted from the acts or omissions of an Indemnitee.

13.2 Proprietary Rights Indemnification. CONTRACTOR agrees to indemnify, defend, and hold harmless Indemnitees from and against any and all Claims, including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, incurred by,

accrued against, charged to, or recoverable from any Indemnitee, by reason of any Claim arising out of, relating to, or otherwise alleging that the Services are infringing or misappropriating any United States or foreign patent, copyright, trade secret, trademark, or other proprietary right. In the event that CONTRACTOR is enjoined from providing the Services and such injunction is not dissolved within thirty (30) calendar days, or in the event that CITY is adjudged, in any final order of a court of competent jurisdiction from which no appeal is taken, to have infringed upon or misappropriated any patent, copyright, trade secret, trademark, or other proprietary right in the access or use of the Services, then CONTRACTOR shall, at its expense: (a) obtain for CITY the right to continue using such Services; (b) replace or modify such Services so that they do not infringe upon or misappropriate such proprietary right and is free to be used by CITY; or, (c) in the event that CONTRACTOR is unable or determines, in its reasonable judgment, that it is commercially unreasonable to do either of the aforementioned, CONTRACTOR shall reimburse to CITY any prepaid fees and the full cost associated with any Transition Services.

- 13.3 Indemnification Procedures. Promptly after receipt by CITY of a threat, notice, or filing of any Claim against an Indemnitee, CITY shall give notice thereof to CONTRACTOR, provided that failure to give or delay in giving such notice shall not relieve CONTRACTOR of any liability it may have to the Indemnitee except to the extent that CONTRACTOR demonstrates that the defense of the Claim is prejudiced thereby. CONTRACTOR shall have sole control of the defense and of all negotiations for settlement of a Claim and CITY shall not independently defend or respond to a Claim; provided, however, that: (a) CITY may defend or respond to a Claim, if CITY's counsel determines, in its sole discretion, that such defense or response is necessary to preclude a default judgment from being entered against an Indemnitee; and, (b) CITY shall have the right, at its own expense, to monitor CONTRACTOR's defense of a Claim. At CONTRACTOR's request, CITY shall reasonably cooperate with CONTRACTOR in defending against or settling a Claim; provided, however, that CONTRACTOR shall reimburse CITY for all reasonable out-of-pocket costs incurred by CITY (including, without limitation, reasonable attorneys' fees and expenses) in providing such cooperation.
- 13.4 Third-Party Beneficiaries. For the purposes of this Section and CONTRACTOR's obligations hereunder, non-party Indemnitees are third-party beneficiaries of this Agreement in accordance with its terms. Any action or consent taken by CITY on its own behalf is binding upon the non-party Indemnitees for the purposes of this Section. Other than as provided for in this Section, this Agreement is for the sole benefit of the signatories hereto and their permitted successors and assigns. Nothing, express or implied, in this Agreement is intended to create or be construed to create any rights of enforcement in any persons or entities who are neither signatories to this Agreement nor non-party Indemnitees.
- 13.5 Limitation of Liability. NOTWITHSTANDING ANY OTHER PROVISION SET FORTH HEREIN, NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, SPECIAL, AND / OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT; PROVIDED, HOWEVER, THAT THE FOREGOING EXCULPATION OF LIABILITY SHALL NOT APPLY WITH RESPECT TO DAMAGES INCURRED AS A RESULT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF A PARTY, OR DAMAGES ARISING AS A RESULT OF PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE. A PARTY SHALL BE LIABLE TO THE OTHER FOR ANY DIRECT DAMAGES ARISING OUT OF OR RELATING TO ITS PERFORMANCE OR FAILURE TO PERFORM UNDER THIS AGREEMENT; PROVIDED, HOWEVER, THAT THE LIABILITY OF A PARTY, WHETHER BASED ON AN ACTION OR CLAIM IN CONTRACT, EQUITY, NEGLIGENCE, TORT, OR OTHERWISE FOR ALL EVENTS, ACTS, OR OMISSIONS

UNDER THIS AGREEMENT SHALL NOT EXCEED THE FEES PAID OR PAYABLE UNDER THIS AGREEMENT, AND PROVIDED, FURTHER, THAT THE FOREGOING LIMITATION SHALL NOT APPLY TO: (A) A PARTY'S OBLIGATIONS OF INDEMNIFICATION, AS FURTHER DESCRIBED IN THIS AGREEMENT; (B) DAMAGES CAUSED BY A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; (C) DAMAGES ARISING AS A RESULT OF PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE; OR (D) A PARTY'S BREACH OF ITS OBLIGATIONS OF CONFIDENTIALITY, AS FURTHER DESCRIBED IN THIS AGREEMENT.

- 13.6 Insurance. Unless waived or modified by CITY's risk manager in writing, CONTRACTOR shall, at its own expense, procure and maintain in full force and effect during the term of this Agreement, policies of insurance, of the types and in the minimum amounts as follows, with responsible insurance carriers duly qualified in those states (locations) where the Services are to be performed, covering the operations of CONTRACTOR, pursuant to this Agreement: commercial general liability (CGL) (\$1,000,000 per occurrence, \$2,000,000 aggregate); auto liability (any auto) if performance will occur on CITY premises (\$1,000,000 per occurrence, \$2,000,000 aggregate), excess liability (\$2,000,000 per occurrence, \$2,000,000 aggregate); workers' compensation (statutory limits) and employers' liability (\$500,000 per accident); and, professional liability (\$1,000,000 per occurrence, \$1,000,000 aggregate). The "City of Brea, its officers, employees, elected officials, agents and attorneys" shall be named as additional insureds in the CGL and auto liability policies which shall contain standard cross liability clauses. CONTRACTOR shall cause the liability it assumed under this Agreement to be specifically insured under the contractual liability section of the liability insurance policies. The CGL and auto liability, and workers compensation, policies shall waive the right of subrogation. The liability policies shall be primary without right of contribution from any insurance by CITY. CONTRACTOR shall provide CITY with certificates of insurance and endorsements evidencing all of the above coverage, including all special requirements specifically noted above, and shall provide CITY with certificates of insurance evidencing renewal or substitution of such insurance thirty (30) calendar days prior to the effective date of such renewal or substitution. Limitation of liability is set forth in Section 13.7 below. - (provide the city with 10-30 days' notice for cancellation.)

- 13.7 Contractor Liability. NOTWITHSTANDING ANY OTHER PROVISION SET FORTH HEREIN, THE CITY AGREES TO LIMIT ANY RECOVERY AGAINST CONTRACTOR TO THE AMOUNT OF INSURANCE PROCEEDS AVAILABLE UNDER CONTRACTOR'S APPLICABLE POLICY. PROVIDED HOWEVER, THAT CONTRACTOR MAINTAINS THE INSURANCE LIMITS REQUIRED BY PARAGRAPH 13.6. THE CITY FURTHER AGREES THAT CONTRACTOR'S LIABILITY SHALL NOT EXCEED THE TOTAL SUM PAID ON BEHALF OF CONTRACTOR'S INSURER(S) IN SETTLEMENT OR SATISFACTION OF CONTRACTOR'S CLAIMS UNDER THE TERMS AND CONDITIONS OF ITS APPLICABLE POLICY.

14. General.

- 14.1 Relationship between CITY and CONTRACTOR. CONTRACTOR represents and warrants that it is an independent contractor with no authority to contract for CITY or in any way to bind or to commit CITY to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of CITY. Under no circumstances shall CONTRACTOR, or any of its staff, if any, hold itself out as or be considered an agent employee, joint venture, or partner of CITY. In recognition of CONTRACTOR's status as an independent contractor, CITY shall carry no Workers' Compensation insurance or any health or accident insurance to cover CONTRACTOR or CONTRACTOR's agents or staff, if any. CITY shall not pay any contributions to Social Security, unemployment insurance, federal or state withholding taxes, any other applicable taxes whether federal, state, or

local, nor provide any other contributions or benefits which might be expected in an employer-employee relationship. Neither CONTRACTOR nor its staff, if any, shall be eligible for, participate in, or accrue any direct or indirect benefit under any other compensation, benefit, or pension plan of CITY.

- 14.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California and the federal laws of the United States of America. CONTRACTOR hereby consents and submits to the jurisdiction and forum of the state and federal courts in the County of Orange, California in all questions and controversies arising out of this Agreement.
- 14.3 Attorneys' Fees and Costs. In any arbitration, litigation, or other proceeding, informal or formal, by which one party either seeks to enforce this Agreement or seeks a declaration of any rights or obligations under this Agreement, the non-prevailing party shall pay the prevailing party's costs and expenses, including but not limited to, reasonable attorneys' fees and in accordance with Section 14.12 below.
- 14.4 Compliance with Laws, CITY Policies and Procedures. Both parties agree to comply with all applicable federal, state, and local laws, executive orders and regulations issued, where applicable. CONTRACTOR shall comply with CITY policies and procedures where the same are posted, conveyed, or otherwise made available to CONTRACTOR.
- 14.5 Cooperation. Where agreement, approval, acceptance, consent or similar action by either party hereto is required by any provision of this Agreement, such action shall not be unreasonably delayed or withheld. Each party will cooperate with the other by, among other things, making available, as reasonably requested by the other, management decisions, information, approvals, and acceptances in order that each party may properly accomplish its obligations and responsibilities hereunder. CONTRACTOR will cooperate with any CITY supplier performing services, and all parties supplying hardware, software, communication services, and other services and products to CITY, including, without limitation, the Successor CONTRACTOR. CONTRACTOR agrees to cooperate with such suppliers, and shall not commit or permit any act which may interfere with the performance of services by any such supplier.
- 14.6 Force Majeure; Excused Performance. . Neither party shall be liable for delays or any failure to perform the Services or this Agreement due to causes beyond its reasonable control. Such delays include, but are not limited to, fire, earthquake, tsunami, explosion, flood or other natural catastrophe, war, , strikes, to the extent not occasioned by the fault or negligence of the delayed party. Any such excuse for delay shall last only as long as the event remains beyond the reasonable control of the delayed party. However, the delayed party shall use its best efforts to minimize the delays caused by any such event beyond its reasonable control.
- 14.7 Advertising and Publicity. CONTRACTOR shall not refer to CITY directly or indirectly in any advertisement, news release, or publication without prior written approval from CITY.
- 14.8 No Waiver. The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect that party's right to enforce such provisions, nor shall the waiver by either party of any breach of any provision of this Agreement be taken or held to be a waiver of any further breach of the same provision.
- 14.9 Notices. Any notice given pursuant to this Agreement shall be in writing and shall be given by personal service or by United States certified mail, return receipt requested, postage prepaid to the addresses appearing at the end of this Agreement, or as changed through written notice to the other party. Notice given by personal service shall be deemed effective

on the date it is delivered to the addressee, and notice mailed shall be deemed effective on the third day following its placement in the mail addressed to the addressee.

- 14.10 Assignment of Agreement; Subcontracting. This Agreement and the obligations of CONTRACTOR hereunder are personal to CONTRACTOR and its staff. Neither CONTRACTOR nor any successor, receiver, or assignee of CONTRACTOR shall directly or indirectly assign this Agreement or the rights or duties created by this Agreement, whether such assignment is effected in connection with a sale of CONTRACTOR's assets or stock or through merger, an insolvency proceeding or otherwise, nor shall any required performance hereunder be subcontracted, without the prior written consent of CITY, unless expressly otherwise provided herein. In the case of an assignment by CONTRACTOR, CONTRACTOR represents and warrants that it has all requisite rights and power to transfer any agreements or other rights with third-parties whose software is incorporated into the Services or who are necessary for the performance and use of the Services. CITY, at CITY's sole election, may assign any and all of its rights and obligations under this Agreement to any company that succeeds to substantially all of CITY's business.
- 14.11 Counterparts; Facsimile. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The parties agree that a facsimile signature may substitute for and have the same legal effect as the original signature.
- 14.12 Entire Agreement. This Agreement and its attached exhibits, all of which are incorporated by reference herein, constitute the entire agreement between the parties and supersede any and all previous representations, understandings, or agreements between CITY and CONTRACTOR as to the subject matter hereof. This Agreement may only be amended by an instrument in writing signed by the parties. This Agreement shall be construed without regard to the party that drafted it. Any ambiguity shall not be interpreted against either party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts. In the event of any conflict or inconsistency between the terms of this document, and any attachment, this document shall prevail.
- 14.13 Cumulative Remedies. All rights and remedies of CITY herein shall be in addition to all other rights and remedies available at law or in equity, including, without limitation, specific performance against CONTRACTOR for the enforcement of this Agreement, and temporary and permanent injunctive relief.

Executed on the dates set forth below by the undersigned authorized representative of CITY and CONTRACTOR to be effective as of the Effective Date.

CITY OF _____

By:
Name:
Title:
Date:

Address for Notice:

[SERVICE PROVIDER NAME] (SERVICE PROVIDER)

By: *Catherine A. Byrne*
Name: *Catherine A. Byrne*
Title: *President*
Date: *10-11-17*

By:
Name:
Title:
Date:

[Two corporate signatures required if corporation]

Address for Notice:

Statement of Work Exhibit A

Prepared for:



10/3/2017

Version 1.0

Byrne Software Technologies, Inc.
16091 Swingley Ridge Road

Suite 200
 Chesterfield, MO 63017
 Tel: 636-537-2505
 Fax: 636-537-2666

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DOCUMENT CONTROL

Date	Author	Version	Change Reference
10/3/17	Brian McAllister	1.0	SOW creation

OVERVIEW

Congratulations on your selection of Accela, Inc., and their enterprise suite of industry leading software. This proposed implementation by Byrne Software Technologies, Inc. ("Byrne") of the Accela products is designed specifically to meet the requirements and budget defined by The City of Brea, CA ("Agency"). Byrne is proposing to utilize the Accela Best Practice Template Configuration Implementation Methodology, to promote a successful project that will meet the Agency's objectives. The following Statement of Work will detail how Byrne will implement the software, including the major milestones and deliverables that will ensure your success.

Byrne is committed to providing a superior solution and deployment of the Civic Platform, for the current and future needs of The City of Brea, CA. Byrne will work with Agency staff to optimize Accela's portfolio of software, best practices, and customer experience to enable the Agency to successfully deploy the Civic Platform software in the Civic Cloud and meet its functionality, timing and cost requirements. This Statement of Work ("SOW") sets forth a scope and definition of the consulting/professional services, work and/or project (collectively, the "Services") to be provided by Byrne to Agency.

SERVICES DESCRIPTION

PURPOSE

The purpose of this document is to detail the specific activities, deliverables, roles and responsibilities, and acceptance criteria that comprise the implementation of the Civic Platform for the Agency, specifically Land Management and Citizen Access. Byrne will provide professional services for implementation of the scope and products detailed in the Work Description section detailed henceforth.

PROJECT TIMELINE

The term of this project is estimated at 6 months.

Upon execution of this SOW, the parties will collaborate to determine a start date for Services to be rendered. Upon initiation of these Services, the assigned resources will work with the Agency to collaboratively define a high level, baseline project schedule. Byrne will use the baseline project schedule to plan and schedule resource availability in order to complete the defined scope.

Given the fact that project schedules are working documents that change over the course of the project, Byrne will work closely with Agency to update, monitor, agree, and communicate any modifications. Changes to the baseline project schedule may result in a change in resource availability.

PROJECT MANAGEMENT

Byrne will provide a project manager for services throughout the implementation in order to plan and monitor execution of the project in accordance with deliverables outlined in the Statement of Work. To support the implementation of the Accela Automation software at the Agency, Byrne will provide Project Management services throughout the project up to 58 hours. The Byrne Project Manager is responsible for the overall project management and works directly with the client throughout all aspects of Accela implementations: from the initial scoping, planning, staffing to delivery. The Project Manager undertakes the project administration tasks including:

- Project plan management
- Change order management
- Issue log management and escalation
- Status reporting
- Project workspace management

- Resources management
- Work plan management
- Meetings management
- Project review with Project Executive

CRITICAL SUCCESS FACTORS

In order to successfully execute the services described herein, there are several critical success factors for the project that must be closely monitored and managed by the stakeholders. These factors are critical in setting expectations between the Agency and Byrne, identifying and monitoring project risks, and promoting strong project communication.

- **Knowledge Transfer** – Byrne staff can maximize their Accela learning experience through the online tutorials and course guides available through the Accela Success Community website. This self-directed learning approach will provide Agency staff with the needed knowledge to advise Byrne what configuration changes are needed during project implementation.

While we cannot guarantee specific expertise for Agency staff as a result of participating in the project, Byrne will make all reasonable efforts to transfer knowledge to the Agency. It is critical that Agency personnel work with Byrne in order to schedule all work in the best manner to facilitate knowledge transfer and resource availability.

- **Dedicated Agency Participation** – We fully understand that Agency staff members have daily responsibilities that will compete with the amount of time that can be dedicated to the implementation project. However, it is critical that the Agency acknowledges that its staff must be actively involved throughout the entire duration of Services as defined in the Project Plan. Byrne will communicate insufficient participation of Agency and Byrne resources to the project sponsor with real and potential impacts to the project timeline.
- **Delivery of Needed Information and Documentation**- In order to guarantee success and meet the timelines and costs described it will be essential that the Agency provide required documentation and information as requested by the delivery staff in timely manner. The expected information required is described in detail in each of the delivery sections. Failure to provide the required information can result in an extension of the project timeline and/or an increase in the scope/cost of the proposed solution.
- **Implementation Methodology** – We offer a successful, proven, implementation methodology which is crucial to the project success. Accela's Civic Platform and customer base is a niche market and as such our implementation methodology may differ from other consulting firms and software packages. It is imperative to project success that the Agency is willing to adhere/adopt to the Methodology and tasks described in this Statement of Work.

PROJECT ASSUMPTIONS

- Agency and Byrne will review their roles and responsibilities before work begins to ensure that Services can be satisfactorily completed.
- Changes or additions to scope, requested by the Agency may require a Change Order to reimburse Byrne for the additional costs associated with the change.
- Agency will provide work space for the Delivery Team for work completed on Agency premises if onsite work is needed. We anticipate no more than 1 staff member onsite at any given time.
- Byrne will implement the known features and functions that exist in the current Civic Platform version deployed in the Civic Cloud at the time of the contract signing. Should a new version of the Civic Platform

become available during the project implementation, the Agency can request the enhanced features, but it may require a Change Order to reimburse Byrne for the additional cost associated with the change or Agency can implement the enhancement after project go-live.

- Byrne is not responsible for data stored in the Accela cloud. Any data related requests from the Agency will have to go directly to Accela.
- Byrne is not responsible for service level agreements in relation to Accela Cloud Hosting. Agency to discuss directly with Accela.
- Agency will maintain primary responsibility for the scheduling of Agency employees and facilities in support of project activities.
- Agency is responsible for proper desktop hardware/software/network preparation in accordance with Accela specifications.
- Agency is responsible to ensure agency participants have adequate hardware/software to successfully participate in online training (i.e. video and audio streaming).
- Agency will commit to the involvement of key resources and subject matter experts for ongoing participation in all project activities as defined in this SOW. The importance of Agency staff participation is imperative to the successful, and timely, implementation of the project deliverables.
- Agency is responsible for hosting any interface outlined in this SOW.

QUALITY CONTROL

The City's expectation is for a high level of quality control for permit workflow. The city's current procedures will be reviewed and may be incorporated into the system workflow. ~~The city would be responsible to test permits which shall be created to verify work flow and any bugs shall be submitted.~~ Byrne will work with the city to provide quality control in accordance with the Accela Development Methodology. ~~(two last sentences seem to contradict each other, Byrne will perform quality control and City will verify and report any issues)~~

- Fee calculations shall be verified for permit types.
- Work flow shall be verified for permit type per department
- Financial Batching information shall be tested and verified to the acceptance of City Staff.
- Any field modules shall be tested and verified prior to final transition.
- Web portals shall be tested and approved prior to final transition.

WORK DESCRIPTION

The following section describes the specific activities and tasks that will be executed to meet the business objectives and business requirements of the Agency. In support of the implementation effort as described above, Byrne will provide the following detailed implementation services. For each deliverable, a description is provided as well as criteria for acceptance of the deliverable.

DELIVERABLE 1: CIVIC PLATFORM SETUP

Upon Contract signing, Byrne will work with Accela to setup an environment in the Civic Cloud and load the Accela Best Practice Templates for land management, which includes permits and inspections, code enforcement, and planning and zoning into the configuration. Additionally, the environment will be licensed according to the Agency sales order form and will be subject to Accela's Subscription Terms and Conditions.

In terms of specific output, the following will be executed for this deliverable:

- URL's and login information for each environment

Specifically, Byrne will perform the following tasks within the support environment:

- Verify that the Civic Platform is operational by using the valid credentials to log into the Agency's computing environment.
- Setup the software licensing in the Accela cloud per the agreed to sales order form
- Install the Accela Land Management Best Practices Template Configurations
- Setup ESRI base maps with geocoding and routing
- Setup the mobile applications gateway for use of field applications
- Setup the payment processing gateway for supported vendors. Currently, the Civic Platform inherently supports Official Payments, PayFlow Pro 4.3 (PayPal) and Virtual Merchants.
 - *If the Agency is working with another payment vendor, the Byrne team can scope the level of effort as a separate deliverable item.*

Byrne Responsibilities:

- Provide timely and appropriate responses to Agency's request for information.
- Setup the Civic Platform in Accela's Civic Cloud.
- Provide desktop requirements documentation to Agency.
- Update the specific Accela ePayment SDK with the Agency provided merchant account attributes and deliver completed Accela ePayment SDK to Accela IT.
- Provide instructions on how to login/logout and view the loaded Best Practice Templates

Agency Responsibilities:

- Provide timely and appropriate responses to requests for information by Accela.
- Arrange for the availability of appropriate Agency staff to assist with inquires and activities related to system installation, setup, testing, and quality assurance throughout the setup process.
- Agency staff is responsible to work with the supported payment vendor (Official Payments, PayFlow Pro 4.3 (PayPal) and Virtual Merchant) to collect the necessary information for the payment processing gateway. For example, the staff will need to provide the Byrne information such as the Product ID, Convenient Fee values, the Payment gateway URLs and other vital information to successfully implement the payment processing gateway.
- Agency staff must provide supported payment vendor information based on Byrne and Agency agreed upon project plan timeline.
- Schedule appropriate Agency staff participants and meeting locations for activities.

Acceptance Criteria:

- Confirmation of ability to log into the Civic Platform using the valid credentials
- (Ability to verify permits per City of Brea Work flow)

DELIVERABLE 2: SET UP OF BEST PRACTICE TEMPLATE CONFIGURATION

The Civic Platform subscription includes turn-key best practice configurations in the specific domains of Land Management. These solutions include all of the record types listed below and other items needed to conduct government business such as data items, inspections and workflow.

Byrne resources will set up Best Practice Templates for permits, planning, and code enforcement per the existing data sheets. The following is a list of permit, code enforcement and planning and zoning record types that are included: (Please include the city specific permit templates as discussed in rfp)

Land Management

Building and Inspections

Commercial Addition	Commercial Re-Roof	Residential Plumbing	Residential Pool-Spa
Commercial Alteration	Residential Addition	Residential Re-Roof	Temporary Sign
Commercial Demolition	Residential Alteration	Multi-Family Addition	Permanent Sign
Commercial New	Residential Demolition	Multi-Family Alteration	Grading
Commercial Electrical	Residential New	Multi-Family Demolition	Fence Permit
Commercial Mechanical	Residential Electrical	Multi-Family New	Solar Permit
Commercial Plumbing	Residential Mechanical	Commercial Pool-Spa	Street Cut
Right of Way			

Environmental Health and Inspections

Adult Day Care Permit With Application and Renewal	Body-Art Facility Permit With Application and Renewal	Child Care Kitchen Permit With Application and Renewal	Child day Care Permit With Application and Renewal
Commissary Permit With Application and Renewal	Correctional Facility Kitchen Permit With Application and Renewal	Cottage Food Permit W/ Registration, Application, Renewal	Educational Food Service Permit With Application and Renewal
EH Complaint	EH Facility	Elderly Nutrition Catered Permit With Application and Renewal	Elderly Nutrition On-Site Permit With Application and Renewal
Farmers Market Permit With Application and Renewal	Food Stand Permit With Application and Renewal	Grocery Permit With Application and Renewal	Home Day Care Permit With Application and Renewal
Hospital Food Permit With Application and Renewal	Institutional Food Permit With Application and Renewal	Limited Food Service Permit With Application and Renewal	Local Confinement Food Permit With Application and Renewal
Meat Market Permit With Application and Renewal	Mobile Food Facility Permit With Application and Renewal	Nursing Home Permit With Application and Renewal	Oil and Gas Permit With Application and Renewal
Other Institutional Permit With Application and Renewal	OWTS Permit With Application and Renewal	Pool Permit With Application and Renewal	Private School Lunchroom Permit With Application and Renewal
Public School Lunchroom Permit With Application and Renewal	Pushcart Food Service Permit With Application and Renewal	Residential Care Permit With Application and Renewal	Restaurant Permit With Application and Renewal
School Building Permit With Application and Renewal	School Cafeteria Permit With Application and Renewal	Spa/Whirlpool Permit With Application and Renewal	Temporary Food Establishment Permit With Application and Renewal
Water Well Permit With Application and Renewal			

Planning and Zoning

Subdivision	Design Review	Pre-Application Meeting	Annexation
Preliminary Map	Variance	Appeal	General Plan Update
Final Map	Rezoning	Time Extension	Specific Plan
Planned Unit Development	Plan Amendment	Modification to Prior Approval	Zoning Text Amendment
Conditional Use	Home Occupation Permit	Confirmation Letter	Lot Line Adjustment
Revocable Permit	Site Plan - Major	Site Plan - Minor	Final Plat
Subdivision - Major	Subdivision - Minor	Preliminary Plat	

Code Enforcement

Illegal Sign Violation	Abandoned Vehicle Violation	Working W/O Permit Violation	Home Occupation Violation
Animal Violation	Oversgrown Weeds Violation	Garbage Service	Tree Violation
Graffiti Removal	Grading Violation	Junk on Property Violation	Sub-Standard Property Violation
Noise Nuisance	Illegal Occupancy Violation	Vacant Building Violation	Fence Violation

Fire Safety

Fire Sprinkler System	Fire Alarm System	Fire Suppression System	Business Licenses
Annual Inspection	Complaints	Demolition	Hazardous Material
Special Event	Tanks Storage	Water Flow	

Specifically Byrne resources will:

- Log into the Agency environment to ensure the best practice configuration is successfully loaded and provide user credentials to Agency, in case Agency staff would like to view loaded configuration
- Provide the Agency with the Accela Best Practice Template Datasheet documents
- Turn off/disable the record types the Agency identifies from the provided datasheets that will not be used during the project implementation, both for Civic Platform and/or for Citizen Access
- Turn off/disable the data fields the Agency identifies from the provided datasheets that will not be used during the project implementation, both for Civic Platform and/or for Citizen Access

In terms of specific output, the following will be executed for this deliverable:

Byrne Responsibilities:

- Provide timely and appropriate responses to Agency's request for information.
- Verify the record types and data fields disabled in Agency environment, based on Agency feedback.

Agency Responsibilities:

- Provide timely and appropriate responses to Byrne's requests for information.
- Arrange for the availability of appropriate Agency staff to read through the Accela Best Practice Template Datasheet documents. Agency staff must review the datasheet documents and indicate which record types and data fields the project team will disable/turnoff.
- Agency staff must provide record type and data field feedback based on Byrne and Agency agreed upon project plan timeline.
- Schedule appropriate Agency staff participants and meeting locations for activities.

Acceptance Criteria:

- Confirmation of turned off/disabled record types and data fields by logging into Civic Platform with valid credentials.

DELIVERABLE 3: SET UP OF AGENCY USERS

Byrne will setup Agency staff users based on the number of software licenses purchased. Byrne will deliver and discuss the Accela BPT Roles and Functions Matrix document, and the Agency will indicate which user group role each staff is to be assigned. For example, if Agency purchases 10 Land Management Solution licenses, Byrne will setup 10 named staff user login accounts.

In terms of specific output, the following will be executed for this deliverable:

Byrne Responsibilities:

- Provide timely and appropriate responses to Agency's request for information.
- Deliver and provide instructions on the Accela BPT Roles and Functions Matrix document
- Create named staff user login accounts and deliver account credentials to Agency

Agency Responsibilities:

- Provide timely and appropriate responses to Byrne's requests for information.
- Arrange for the availability of appropriate Agency staff to provide a list of Agency user accounts and indicate which user group role the user is to be assigned.
- Agency staff must review the Accela BPT Roles and Functions Matrix document
- Agency staff must provide list of user accounts and indicate user group role feedback based on Byrne and Agency agreed upon project plan timeline.

- Schedule appropriate Agency staff participants and meeting locations for activities.

Acceptance Criteria:

- Confirmation of staff user accounts are created by logging into Civic Platform with valid credentials.

DELIVERABLE 4: WORKFLOW PROCESS AND INSPECTION GROUP DISTINCT UPDATES

Byrne will provide up to **twenty (20)** distinct updates to the existing workflow processes and up to **twenty (20)** distinct updates to the existing inspection groups configured in the deployed Best Practice Templates. Using the Accela Best Practice Template Datasheets, the Agency will indicate which Workflow Process and/or Inspection Groups to update. Distinct workflow process updates include renaming, adding or removing a workflow task or workflow task status result. Distinct inspection group updates include renaming, adding or removing inspection types, inspection status results, checklist items or checklist status results. Each edit, update or removal of a workflow task, workflow status result, inspection type, inspection status result, checklist item or checklist status result is considered a distinct single action change.

In terms of specific output, the following will be executed for this deliverable:

Byrne Responsibilities:

- Provide timely and appropriate responses to Agency's request for information.
- Provide the Agency with the Accela Best Practice Template Datasheet documents
- Update the workflow processes and/or inspection groups in the environment, based on the Agency feedback.
- Verify the updated workflow process and/or inspection groups in environment, based on Agency feedback.

Agency Responsibilities:

- Provide timely and appropriate responses to Byrne's requests for information.
- Staff participants have successfully read and completed the recommended online course content
- Arrange for the availability of appropriate Agency staff to read through the Accela Best Practice Template Datasheet documents.
- Agency staff must provide a list of distinct workflow process and inspection group updates based on Byrne and Agency agreed upon project plan timeline.
- Agency staff must review and test all workflow processes and inspection groups configuration and provide feedback to Byrne based on the agreed upon project plan timeline
 - *Any additional changes identified during review and testing beyond the scope identified above may be subject to a Change Order request*
- Schedule appropriate Agency staff participants and meeting locations for activities.

Acceptance Criteria:

- Confirmation of distinct workflow process and inspection group updates by logging into Civic Platform with valid credentials.

DELIVERABLE 5: FEE SCHEDULE CONFIGURATION

The Agency can request up to **sixty (60)** new fee items configured during the project implementation. Byrne will configure up to sixty (60) total fee items that are flat/constant formula type, and of those fees, up to twenty (20) unique fee items can be based on the inherent fee formulas in the Civic Platform, including fees based on specific ranges and using fee indicators using the Agency's unique fee description, such as Deck Application or fees based on square footage of a building. Byrne will configure all fee items using the inherent fee formulas in the Civic Platform. Advanced fee item setup, such as automating a fee calculation using the advanced script engine logic is an additional cost and Byrne team can scope the level of effort as a separate deliverable item and may result into a Change Order.

In terms of specific output, the following will be executed for this deliverable:

Byrne Responsibilities:

- Provide timely and appropriate responses to Agency's request for information.
- Provide the Agency with the Accela Best Practice Template Datasheet documents
- Configure up to sixty (60) new fee items, using Agency unique fee descriptions, using Constant fee formula and of those, up to twenty (20) fees using the remaining inherent fee formulas in the Civic Platform, based on Agency feedback
- Verify the new fee items configured in environment, based on Agency feedback.

Agency Responsibilities:

- Provide timely and appropriate responses to Byrne's requests for information.
- Arrange for the availability of appropriate Agency staff to read through the Accela Best Practice Template Datasheet documents.
- Agency staff must provide a list of the new fee items (up to 60 items) to Byrne, which include fee description, the fee value amount, should the fee item be automatically invoiced or assessed, which record type(s) the fee item is associated to, and will the fee item be displayed in Citizen Access based on Byrne and Agency agreed upon project plan timeline.
- Agency staff must review and test all fee items configuration and provide feedback to Byrne based on the agreed upon project plan timeline.
 - *Any additional changes identified during review and testing beyond the scope identified above may be subject to a Change Order request*
- Staff participants have successfully read and completed the recommended online course content
- Schedule appropriate Agency staff participants and meeting locations for activities.

Acceptance Criteria:

- Confirmation of configured fee items by logging into Civic Platform with valid credentials.

DELIVERABLE 6: NEW SERVICE RECORD TYPE CONFIGURATION

Byrne will configure up to five (5) new service record types, not already represented in the Accela Best Practice Templates, such as Elevator Permit or Deck Permit. Byrne will use the existing, preconfigured record components, like workflow process, inspection groups, record status result, fee schedule, document status.

Note: If Agency requires a new service record type created from scratch, the Byrne team can scope the level of effort as a separate deliverable item and may result in a Change Order request.

In terms of specific output, the following will be executed for this deliverable:

Byrne Responsibilities:

- Provide timely and appropriate responses to Agency's request for information.
- Provide the Agency with the Accela Best Practice Template Datasheet documents
- Configure up to five (5) new service record types using existing, preconfigured record components, such as workflow process, inspection group, record status result, fee schedule, based on Agency feedback
- Verify the new service record types configured in environment, based on Agency feedback.

Agency Responsibilities:

- Provide timely and appropriate responses to Byrne's requests for information.
- Arrange for the availability of appropriate Agency staff to read through the Accela Best Practice Template Datasheet documents.

- Agency staff must provide a list of the new service record types (up to 5) to Byrne, which include record type levels, record name and the applicable record components, like fee schedule, inspection group, workflow process, record ID sequence, available in Citizen Access, document code, record status result, etc., based on Byrne and Agency agreed upon project plan timeline.
- Agency staff must review and test all service record type configuration and provide feedback to Byrne based on the agreed upon project plan timeline.
 - *Any additional changes identified during review and testing beyond the scope identified above may be subject to a Change Order request*
- Staff participants have successfully read and completed the recommended online course content
- Schedule appropriate Agency staff participants and meeting locations for activities.

Acceptance Criteria:

- Confirmation of configured service record types by logging into Civic Platform with valid credentials.

DELIVERABLE 7: NEW AGENCY DEFINED DATA FIELDS CONFIGURATION

The Agency can request up to **ten (10)** new agency defined data fields configured and associate the data elements to specific record types to ensure information is tracked according to the Agency business process and municipal reports, such as Elevator ID or Roof Color. Byrne will configure each new agency defined data field using one of nine (9) data types: text, date, y/n radio button, number, dropdown list, comment text area, time, money or checkbox.

In terms of specific output, the following will be executed for this deliverable:

Byrne Responsibilities:

- Provide timely and appropriate responses to Agency's request for information.
- Provide the Agency with the Accela Best Practice Template Datasheet documents
- Configure up to ten (10) new agency defined data fields and associate the data elements to the specific record types, based on Agency feedback
- Verify the new agency defined data fields configured in environment, based on Agency feedback.

Agency Responsibilities:

- Provide timely and appropriate responses to Byrne's requests for information.
- Arrange for the availability of appropriate Agency staff to read through the Accela Best Practice Template Datasheet documents.
- Agency staff must provide a list of the new agency defined data fields (up to 10) to Byrne, which include data field label, data field type, flagged as required, available in Citizen Access, indicate which service record type to associate to, etc., based on Byrne and Agency agreed upon project plan timeline.
- Agency staff must review and test all agency defined data fields configuration and provide feedback to Byrne based on the agreed upon project plan timeline.
 - *Any additional changes identified during review and testing beyond the scope identified above may be subject to a Change Order request*
- Staff participants have successfully read and completed the recommended online course content
- Schedule appropriate Agency staff participants and meeting locations for activities.

Acceptance Criteria:

- Confirmation of configured agency data fields by logging into Civic Platform with valid credentials.

DELIVERABLE 8: EXISTING USER GROUP PERMISSION DISTINCT UPDATES

Byrne will provide up to **five (5)** distinct updates to the existing user group permissions configured in the deployed Accela Best Practice Templates. Using the Accela Roles and Functions Matrix document, the Agency will indicate which permissions need to be updated for the user group role. For example, if the Agency wants the inspector role to

collect fees and payments, this will be an update to allow additional access to the current role defined. Each permission update, add or removal of access for a defined user role is considered a distinct single action change.

In terms of specific output, the following will be executed for this deliverable:

Byrne Responsibilities:

- Provide timely and appropriate responses to Agency's request for information.
- Deliver and provide instructions on the Accela Roles and Functions Matrix document
- Configure up to five (5) distinct updates to the existing user group permissions, based on Agency feedback
- Verify the updated user group permissions configured in environment, based on Agency feedback.

Agency Responsibilities:

- Provide timely and appropriate responses to Byrne's requests for information.
- Arrange for the availability of appropriate Agency staff to read through the Accela Roles and Functions Matrix document.
- Agency staff must provide a list of the user group permission updates (up to 5) to Byrne, which include function name and identified role based on Byrne and Agency agreed upon project plan timeline.
- Agency staff must review user group configuration and provide feedback to Byrne based on the agreed upon project plan timeline.
 - *Any additional changes identified during review and testing beyond the scope identified above may be subject to a Change Order request*
- Staff participants have successfully read and completed the recommended online course content
- Schedule appropriate Agency staff participants and meeting locations for activities.

Acceptance Criteria:

- Confirmation of configured user group permissions by logging into Civic Platform with valid credentials.

DELIVERABLE 9: NEW USER GROUP PERMISSION WITH DISTINCT UPDATE CONFIGURATION

The Agency can request up to **two (2)** new user group permissions created, by copying or cloning an existing, defined user group deployed from the Accela Best Practice Template with up to **three (3)** distinct updates per new user group permission created, such as add or removal of access for the defined user role. The newly defined user group can be associated to a named staff user account login. For example, if the Agency would like to define a new user role, such as cashier or supervisor, the Byrne will copy/clone an existing user group and create a new role with permission updates if needed. Each permission update, add or removal of access for a defined user role is considered a distinct single action change.

In terms of specific output, the following will be executed for this deliverable:

Byrne Responsibilities:

- Provide timely and appropriate responses to Agency's request for information.
- Deliver and provide instructions on the Accela Roles and Functions Matrix document
- Configure up to two (2) new user group permissions by copying/cloning existing user groups deployed from Accela Best Practice Template with up to three (3) distinct updates per new user group role created, based on Agency feedback
- Verify the new user group permissions configured in environment, based on Agency feedback.

Agency Responsibilities:

- Provide timely and appropriate responses to Byrne's requests for information.
- Arrange for the availability of appropriate Agency staff to read through the Accela Roles and Functions Matrix document.

- Agency staff must provide a list of the new user group permissions (up to 2) and the permission updates (up to 3) to Byrne, which include name of new user group role, which user group to copy, the function names to update based on Byrne and Agency agreed upon project plan timeline.
- Agency staff must review user group permission configuration and provide feedback to Byrne based on the agreed upon project plan timeline.
 - *Any additional changes identified during review and testing beyond the scope identified above may be subject to a Change Order request*
- Staff participants have successfully read and completed the recommended online course content
- Schedule appropriate Agency staff participants and meeting locations for activities.

Acceptance Criteria:

- Confirmation of configured user group permissions by logging into Civic Platform with valid credentials.

DELIVERABLE 10: PROPERTY DATA UPLOAD - XAPO

Byrne will setup an initial, mapping from Agency's GIS for Address, Parcel, and Owner data set from the Agency's supplied mapping service(s). This means, that upon setup of Agency's GIS configuration, data will be available and handled by Agency staff using Accela GIS Admin site(s). When changes occur regarding property, such as ownership changes or a new set of addresses are added to the agency, as long as Agency GIS contains this data it will be available live for retrieval into Accela.

Byrne Responsibilities:

- Provide timely and appropriate responses to Agency's request for information.
- Configure the mapping from GIS through Accela's GIS admin tool.
- Provide and explain the Accela XAPO mapping document.

Agency Responsibilities:

- Provide timely and appropriate responses to Byrne's requests for information.
- Arrange for the availability of appropriate Agency staff to review the Accela XAPO mapping document
- Provide public facing and accessible map layers needed to meet agency's needs
- Agency staff must review mapping within Accela and provide feedback to Byrne based on the agreed upon project plan timeline.
- Schedule appropriate Agency staff participants and meeting locations for activities.

Acceptance Criteria:

- Successfully search for and retrieve of Address, Parcel, and Owner information by logging into the Civic Platform with valid credentials.

DELIVERABLE 11: LICENSED PROFESSIONAL DATA UPLOAD

Byrne will provide an initial, one-time load of the Agency reference licensed professional data set. This means, that upon go live and when the data is provided by the agency, staff will have an initial reference licensed professional data set loaded in the system ready for use, with updates to that data handled by Agency staff using Accela screens. When changes occur regarding licensed professional information, such as name changes or a new address, staff would manually enter those changes directly within the solution. The Agency must provide the valid licensed professional data set in the acceptable pipe delimited text file format. The conversion effort will occur a maximum of three (3) times.

Byrne Responsibilities:

- Provide timely and appropriate responses to Agency's request for information.

- Convert the provided acceptable pipe delimited text file format into Civic Platform, maximum of up to 3 times.
- Provide and explain the Accela Licensed Professional Conversion Guide document

Agency Responsibilities:

- Provide timely and appropriate responses to Byrne's requests for information.
- Arrange for the availability of appropriate Agency staff to review the Accela Licensed Professional Conversion Guide document
- Provide licensed professional data in acceptable pipe delimited text file format
- Agency staff must review property data conversion and provide feedback to Byrne based on the agreed upon project plan timeline.
 - *Staff have a total of two (2) times to review and make the necessary changes/updates to the converted licensed professional data. The third licensed professional data conversion will be the final conversion effort before the go-live promotion to the production environment.*
- Schedule appropriate Agency staff participants and meeting locations for activities.

Acceptance Criteria:

- Successfully search for and retrieve loaded Licensed Professional information by logging into the Civic Platform with valid credentials

DELIVERABLE 12: EXPRESS HISTORICAL DATA CONVERSION

Byrne will provide an initial, one-time load of the Agency historical, legacy transaction record types, such as completed permits, completed applications or closed violation incidents. Byrne will provide and explain the Accela Express Historical Data Conversion Document which details the data conversion process, the required data source format of pipe delimited text file format, and resulting data properties. The conversion effort will occur a maximum of **three (3)** times.

In terms of specific output, the following will be executed for this deliverable:

- Historic completed permits are to be converted into a single record in the Civic Platform called "Historic". A single historic record can be available per module implemented, with the following data populated when provided:
 - Base record information such as permit number, work description, date opened, date closed
 - Record based data items
 - Transactional property and people, including Addresses, Parcels, Owners, Licensed Professionals, and Contacts
 - Inspection History
 - Total invoiced, total paid, and balance

All other historic data is not converted, examples include reference people and property and relationships of those items to records, workflow and history, detailed fees and payment.

Byrne Responsibilities:

- Provide timely and appropriate responses to Agency's request for information.
- Convert the provided acceptable pipe delimited text file format into Civic Platform, maximum of up to 3 times.
- Provide and explain the Accela Express Historical Data Conversion Document

Agency Responsibilities:

- Provide timely and appropriate responses to Byrne's requests for information.
- Arrange for the availability of appropriate Agency staff to review the Accela Express Historical Data Conversion document
- Provide historical data in acceptable pipe delimited text file format
- In process permits are to be entered manually into Civic Platform or finished in current system before cut off of last conversion effort. Only completed and/or closed service records will be converted.
- Agency staff must review and test historical transaction conversion and provide feedback to Byrne based on the agreed upon project plan timeline
 - *Staff have a total of two (2) times to review and make the necessary changes/updates to the converted historical data. The third historical data conversion will be the final conversion effort before the go-live promotion to the production environment.*
- Schedule appropriate Agency staff participants and meeting locations for activities.

Acceptance Criteria:

- Historical data has been converted to Civic Platform in a single record type according to the Accela Express Historical Data Conversion Document.

DELIVERABLE 13: CITIZEN ACCESS CONFIGURATION

This deliverable includes setup and configuration of the Agency municipal website branding, the online payment processing gateway for the supported payment vendors (Official Payments, PayFlow Pro 4.3 (PayPal) and Virtual Merchant for Citizen Access, and up to **five (5)** distinct updates to the citizen portal pages to make the pages more in line with the Agency processes per the best practice configurations. Distinct updates to the citizen portal pages include, adding a pageflow component, like attachments to an existing defined pageflow setup, updating the section instructional text with agency language, including descriptive help instructions for specific agency defined data fields, or updating the online disclaimer text. Each update to the citizen portals and sections are considered a single action change.

Note: If the Agency is working with another payment vendor, the Byrne team can scope the level of effort as a separate deliverable item and may result in a Change Order request.

In terms of specific output, the following will be executed for this deliverable:

Byrne Responsibilities:

- Provide timely and appropriate responses to Agency's request for information.
- Setup Citizen Access branding by loading two (2) banner files provided by the Agency
- Update the specific Accela ePayment SDK with the Agency provided merchant account attributes and deliver completed Accela ePayment SDK to Accela IT. Currently, the Civic Platform inherently supports Official Payments, PayFlow Pro 4.3 (PayPal) and Virtual Merchants.
- Configure up to five (5) distinct updates to the citizen portal pages, based on Agency feedback
- Verify the loaded citizen access branding, citizen portal pages and sections updated and payment acceptance in environment, based on Agency feedback.

Agency Responsibilities:

- Provide timely and appropriate responses to Byrne's requests for information.
- Provide website branding files, which include the top and side banner
- Arrange for the availability of appropriate Agency staff to review the branding on Citizen Access
- Agency staff is responsible to work with the supported payment vendor (Official Payments, PayFlow Pro 4.3 (PayPal) and Virtual Merchant) to collect the necessary information for the payment processing gateway. For example, the staff will need to provide the Byrne information such as the Product ID, Convenient Fee

values, the Payment gateway URLs and other vital information to successfully implement the payment processing gateway.

- Agency staff must provide web branding, a list of distinct updates (up to 5) and supported payment vendor information based on Byrne and Agency agreed upon project plan timeline.
- Agency staff must review and test all Citizen Access configuration and provide feedback to Byrne based on the agreed upon project plan timeline
 - *Any additional changes identified during review and testing beyond the scope identified above may be subject to a Change Order request*
- Staff participants have successfully read and completed the recommended online course content
- Schedule appropriate Agency staff participants and meeting locations for activities.

Acceptance Criteria:

- Verify the operational Citizen Access functionality such as login/logout, the updated citizen portal pages and sections, and payment acceptance

DELIVERABLE 14: ESRI – INTERFACE ANALYSIS AND DEVELOPMENT

In order to determine the Agency requirements for this interface, analysis sessions will be conducted as a portion of this deliverable. The findings will then be documented in the Interface Specifications Document(s) for use by Byrne in building the interface code. The implementation of the interface is dependent on the assistance of the Agency's staff, specifically, interface analysis, data mapping, and data manipulation as required in the source system. Byrne will provide a program to integrate 3rd Party data to/from Accela Automation.

In terms of specific output, the following will be executed for this deliverable:

- Interface Specifications Document
- Operational Interface in the Development or Test environment¹ Byrne has allotted up to 52 hours for ESRI Interface.

Byrne Responsibilities:

- Provide timely and appropriate responses to Agency's request for information.
- Conduct Interface Analysis sessions.
- Work with Agency staff to develop interface specifications document.
- Use an Accela web service or other tool to implement the interface functionality based on the specifications.
- Build all aspects of the interface that interact directly with the Accela Automation.

Agency Responsibilities:

- Provide timely and appropriate responses to Byrne's request for information.
- Provide system and access to individuals to provide required details of system interface.
- Allocate the time for qualified business and technical experts for the testing sessions that are critical to the project success.
- Identify and coordinate any related tools used to implement the interface (3rd party or in-house development).
- Assist in the interface specification development and data mapping process.
- Review and approve the interface specification documents.
- Work with Third Party Data Sources to determine best methods of interfacing to Accela system.
- Validate interface through testing.
- Work with 3rd party to ensure data from Accela is in correct format.
- Updates to interface, post go-live, due to changes in 3rd party system or Agency business processes.

Acceptance Criteria:

- Review and approve the Interface Specifications document.
- Demonstration and approval of the completed interface as per the requirements detailed in the interface specifications document in the Test or Dev environment.

Acceptance Review Period:

- Ten (10) business days total

DELIVERABLE 15: COST RECOVERY

In order to determine the City of Brea requirements for this functionality, analysis sessions will be conducted as a portion of this deliverable. The findings will then be documented in the Specifications Document for use by Byrne in configuring Accela Automation. The implementation of the functionality is dependent on the assistance of the City of Brea's staff, specifically, analysis.

In terms of specific output, the following will be executed for this deliverable:

- Specifications Document
- Operational in the Development or Test environment
- Byrne will perform up to 200 hours for this functionality

Byrne Responsibilities:

- Provide timely and appropriate responses to City of Brea's request for information.
- Conduct Analysis sessions.
- Work with City of Brea staff to develop specifications document.
- Configure Accela Automation to meet specifications.

City of Brea Responsibilities:

- Provide timely and appropriate responses to Byrne's request for information.
- Provide system and access to individuals to provide required details of functionality.
- Allocate the time for qualified business and technical experts for the testing sessions that are critical to the project success.
- Assist in the specification development.
- Review and approve the specification document.
- Validate functionality through testing.

Acceptance Criteria:

- Review and approve the Specifications document.
- Demonstration and approval of the completed functionality as per the requirements detailed in the specifications document.

DELIVERABLE 16: CASHIERING

In order to determine the City of Brea requirements for this functionality, analysis sessions will be conducted as a portion of this deliverable. The findings will then be documented in the Specifications Document for use by Byrne in configuring Accela Automation. The implementation of the functionality is dependent on the assistance of the City of Brea's staff, specifically, analysis.

In terms of specific output, the following will be executed for this deliverable:

- Specifications Document
- Operational in the Development or Test environment
- Byrne will perform up to 90 hours for this functionality

Byrne Responsibilities:

- Provide timely and appropriate responses to City of Brea's request for information.
- Conduct Analysis sessions.
- Work with City of Brea staff to develop specifications document.
- Configure Accela Automation to meet specifications.

City of Brea Responsibilities:

- Provide timely and appropriate responses to Byrne's request for information.
- Provide system and access to individuals to provide required details of functionality.
- Allocate the time for qualified business and technical experts for the testing sessions that are critical to the project success.
- Assist in the specification development.
- Review and approve the specification document.
- Validate functionality through testing.

Acceptance Criteria:

- Review and approve the Specifications document.
- Demonstration and approval of the completed functionality as per the requirements detailed in the specifications document.

DELIVERABLE 17: END OF DAY BATCH JOURNAL ENTRY UPLOAD

In order to determine the City of Brea requirements for this functionality, analysis sessions will be conducted as a portion of this deliverable. The findings will then be documented in the Specifications Document for use by Byrne in configuring Accela Automation. The implementation of the functionality is dependent on the assistance of the City of Brea's staff, specifically, analysis.

In terms of specific output, the following will be executed for this deliverable:

- Specifications Document
- Operational in the Development or Test environment
- Byrne will perform up to 32 hours for this functionality

Byrne Responsibilities:

- Provide timely and appropriate responses to City of Brea's request for information.
- Conduct Analysis sessions.
- Work with City of Brea staff to develop specifications document.
- Configure Accela Automation to meet specifications.

City of Brea Responsibilities:

- Provide timely and appropriate responses to Byrne's request for information.
- Provide system and access to individuals to provide required details of functionality.
- Allocate the time for qualified business and technical experts for the testing sessions that are critical to the project success.
- Assist in the specification development.
- Review and approve the specification document.

- Validate functionality through testing.

Acceptance Criteria:

- Review and approve the Specifications document.
- Demonstration and approval of the completed functionality as per the requirements detailed in the specifications document.

DELIVERABLE 18: ONSITE CIVIC PLATFORM TRAINING

Byrne will provide training for Agency staff that focuses on the administration, maintenance, and augmentation of its Accela Automation configuration. Our aim at Byrne is to educate Agency resources on all aspects of Accela Automation in an effort to ensure the Agency is self-sufficient. This allows the Agency to best react to changing requirements and ongoing maintenance, which can allow the Agency to be reactive and significantly reduce system maintenance costs over time.

In terms of specific output, the following will be executed for this deliverable:

- Accela Automation Admin Usage (1 day), onsite, up to 10 students
- Accela Automation End User (2 days), onsite, up to 12 students
- Accela Automation Event Manager Scripting – Basic (1/2 day), onsite, up to 7 students
- Accela Ad-Hoc Reporting (1/2 day), onsite, up to 7 students
- Accela Citizen Access (1/2 day), onsite or remote, up to 12 students
- Cost Recovery (1/2 day), onsite, up to 12 students
- Byrne will perform up to 40 hours for this effort

Byrne Responsibilities:

- Coordinate with the Agency to define training schedule and logistics.
- Deliver training per the specific requirements listed above.

Agency Responsibilities:

- Select and prepare the power-users who will be participating in the training and subsequently training end users.
- Arrange the time and qualified people for the training who are critical to the project success.
- Provide suitable Agency facilities to accommodate various training classes.
- Ensure that users are proficient in using PC's in a Windows environment as a prerequisite for the course.
- Ensure that users are familiar with use of standard Internet browsers as a prerequisite for the course.

Acceptance Criteria:

- Execution of listed training courses.

DELIVERABLE 19: POST DEPLOYMENT SUPPORT AND TRANSITION TO CRC

This deliverable is comprised of the post- Production support assistance that Byrne will provide to address issues and provide consultative advice immediately following the move to Production for daily use. Byrne will provide support immediately following deployment (go-live).

Byrne will work with the Agency to identify and address issues identified during this period using a Post Production Issues List. This list will be comprised of issues related to the defined deliverables listed in this SOW, which will be addressed by Byrne, as well as any other issues that the Agency wishes to track (outside of scope, phase 2, etc.). Examples of issues the Agency is responsible for include training issues, functional changes beyond the scope of this Statement of Work, cosmetic changes, and procedures related to the use of Accela Automation. Specifically, Byrne

will not be developing or creating additional reports, conversions, interfaces, records types and workflow processes that were not included in the scope of this project during post deployment support.

At the end of the support period, Byrne will provide a final copy of the issue tracker to the customer and disable the list. Additionally, a formal meeting will be scheduled with the Agency, Byrne Services Team, and Accela CRC for the purpose of transitioning support of future issues and question from the Agency to Accela CRC.

In terms of specific output, the following will be executed for this deliverable:

- One staff member available for week of go-live
- Byrne will perform up to 8 hours for the week of go-live
- Transition of Agency from Services team to Customer Resource Center for ongoing support

Byrne Responsibilities:

- Provide post-production support for Accela developed configuration and components
- Assist with the identification of issues for the Post Production Issues List
- Assist with issues that may arise related to the deliverables in this SOW
- Transfer ongoing support of the client and to the CRC to address any post Production issues that require remediation

Agency Responsibilities:

- Provide technical and functional user support for post-production support and monitoring
- Develop and maintain a Post Production Issues List
- Provide timely and appropriate responses to Accela's request for information
- Make available the appropriate Agency key users and content experts to participate in user acceptance testing as defined and managed by Agency

Acceptance Criteria:

- Byrne to perform up to 8 hours of Go Live support
- Official transfer from the Byrne Services project team to the Customer Resource Center (CRC)

COST SCHEDULE

All Services fees detailed under the Deluxe Package below are invoiced upon commencing the project. The pricing described below is exclusive of taxes and expenses. The price is based on the information available at the time of signing and the assumptions, dependencies and constraints, and roles and responsibilities of the Parties, as stated in this SOW. Should there be changes to the scope, timeline or resources that increases the hours or costs needed to complete the project, a Change Order may be required prior for project continuation. Please see Change Order details below.

Byrne Software will endeavor not to exceed the total estimate amount without the prior approval of Customer; however Agency is responsible to pay all actual project hours worked. Byrne Software has the right to refuse to work additional hours should there be no remaining estimated hours and no Change Order delineating additional hours.

Any estimated hours remaining on the project when Byrne Software has completed work will not be used for other work without a Change Order delineating the scope. Any estimated hours remaining on the project when Byrne Software has completed work will either terminate when the project is complete or expire on the term date of the agreement whichever is sooner.

Land Management Deluxe Package	Price
AA System Setup	\$15,840
Setup of Land Management best practice configurations	
Setup of Agency Staff User Accounts	
Workflow and Inspection Distinct Updates	
Fee Schedule Configuration	
New Service Record Types	
New Agency Defined Data Fields	
User Group Permission Distinct Updates	
New User Group Permission with Distinct Updates	
Citizen Access Configuration	
Property Data Upload	
Licensed Professional Data Upload	
Express Historical Data Conversion	
Citizen Access Configuration	
Onsite Instructor Led Training (up to 40 hours)*	\$4,400
ESRI Interface (up to 25 hours)*	\$2,750
Project Management (up to 58 hours)*	\$6,380
Cost Recovery (up to 200 hours)*	\$22,000
Cashiering (up to 90 hours)*	\$9,900
End of Day Batch journal entry upload (up to 32 hours)*	\$3,520
Total (plus travel expenses)	\$64,790

**These services are provided on a time and material basis plus any out of pocket expenses, unless documented in this SOW. The Agency will only be charged for the time spent to complete; if additional hours are required a change order must be first approved by the agency. Byrne Software bills weekly for services provided the previous week. Billing terms are Net 30; a 1.5% penalty per month will be assessed for any late payments.*

EXPENSES:

Actual amounts of any reasonable and customary travel expenses incurred during the performance of services under this SOW will be billed to Agency, according to Byrne expense policy. Byrne will bill Customer for actual expenses incurred for travel and lodging/living, as well as other approved out-of-pocket expenses (such as mileage, parking, tolls and telecommunications charges). Byrne will work with Customer to manage and control its expenses in accordance with Byrne travel policy guidelines and will not incur expenses in excess of the initial contracted budget below without Customer's prior written consent. Expense receipts will be made available as requested by Agency. Total estimated expenses are based on past engagement experience. Travel expenses are estimated at \$ 2,181.00 for one resource onsite for training.

CHANGE ORDERS

In order to make a change to the scope of Professional Services in this SOW, Agency must submit a written request to Byrne specifying the proposed changes in detail. Byrne shall submit to Agency an estimate of the charges and the anticipated changes in the delivery schedule that will result from the proposed change in the Professional Services ("Change Order"). Byrne shall continue performing the Professional Services in accordance with the SOW until the parties agree in writing on the change in scope of work, scheduling, and fees therefore. Any Change Order shall be agreed to by the parties in writing prior to implementation of the Change Order. If Byrne's effort changes due to changes in timing, roles, responsibilities, assumptions, scope, etc. or if additional support hours are required, a change order will be created that details these changes, and impact to project and cost (if any). Any change order

change order will be created that details these changes, and impact to project and cost (if any). Any change order shall be signed by Byrne and Agency prior to commencing any activities defined in the change order. Standard blended rate for Byrne resources is \$145.00 per hour.

EXPIRATION

The scope and terms of this SOW must be executed as part of the Agency Services Agreement within sixty (60) calendar days of the date of this SOW. If the SOW is not executed then the current scope and terms can be renegotiated. The terms of this SOW will expire 8 months from date of contract execution or the date of Agency transition to Accela Customer Support, whichever is sooner.

Acceptance:

Accepted By:

Byrne

Catherine A. Byrne
Authorized Signature

Catherine A. Byrne
Name - Type or Print

President
Title

10 - 10 - 17
Date

Accepted By:

City of Brea, CA

Authorized Signature

Name - Type or Print

Title

Date



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
10/12/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Aon Risk Services Central, Inc.
St. Louis MO Office
8182 Maryland Avenue
St Louis MO 63105 USA

CONTACT
NAME:
PHONE (A/C, No. Ext): (866) 283-7122 FAX (A/C, No.): 800-363-0105
E-MAIL
ADDRESS:

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURED
Byrne Software Technologies, Inc.
16901 Swingley Ridge Road, Suite #200
Chesterfield MO 60601 USA

INSURER A:	Beazley Insurance Company, Inc.	37540
INSURER B:	Continental Casualty Company	20443
INSURER C:	The Continental Insurance Company	35289
INSURER D:	Transportation Insurance Co.	20494
INSURER E:		
INSURER F:		

COVERAGES

CERTIFICATE NUMBER: 570068936148

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATION MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
D	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			5099271960	01/28/2017	01/28/2018	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$15,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COM/OP AGG \$2,000,000
C	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY			5099271957	01/28/2017	01/28/2018	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Comprehensive Ded. \$100
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10,000			5099271926	01/28/2017	01/28/2018	EACH OCCURRENCE \$2,000,000 AGGREGATE \$2,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	WC599271943	01/28/2017	01/28/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE-EA EMPLOYEE \$1,000,000 E.L. DISEASE-POLICY LIMIT \$1,000,000
A	E&O-MPL-Primary			V11390170701 Claims Made SIR applies per policy terms & conditions	01/28/2017	01/28/2018	Prof Liab Limit \$5,000,000 SIR \$35,000 Prof Liab Agg - All \$5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Brea, its officers, employees, elected officials, agents and attorneys are included as Additional Insured in accordance with the policy provisions of the General Liability and Automobile Liability policies. A waiver of subrogation is granted in favor of Certificate Holder in accordance with the policy provisions of the General Liability, Automobile Liability and workers' Compensation policies.

CERTIFICATE HOLDER

CANCELLATION

The City of Brea, its officers
employees, elected officials
agents and attorneys
1 Civic Center Circle
Brea CA 92821 USA

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Aon Risk Services Central, Inc.

Holder Identifier :

Certificate No : 570068936148

Page _ of _



ADDITIONAL REMARKS SCHEDULE

Page _ of _

AGENCY Aon Risk Services Central, Inc.		NAMED INSURED Byrne Software Technologies, Inc.	
POLICY NUMBER See Certificate Number: 570068936148			
CARRIER See Certificate Number: 570068936148	NAIC CODE	EFFECTIVE DATE:	

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 **FORM TITLE:** Certificate of Liability Insurance

[illegible]

The Subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

**Technology General Liability Extension Endorsement**

It is understood and agreed that this endorsement amends the **COMMERCIAL GENERAL LIABILITY COVERAGE PART** as follows. If any other endorsement attached to this policy amends any provision also amended by this endorsement, then that other endorsement controls with respect to such provision, and the changes made by this endorsement with respect to such provision do not apply.

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Technology General Liability Extension Endorsement

1. ADDITIONAL INSURED

- a. **WHO IS AN INSURED** is amended to include as an **Insured** any person or organization described in paragraphs A. through K. below whom a **Named Insured** is required to add as an additional insured on this **Coverage Part** under a written contract or written agreement, provided such contract or agreement:

- (1) is currently in effect or becomes effective during the term of this **Coverage Part**; and
- (2) was executed prior to:

- (a) the **bodily injury** or **property damage**; or
- (b) the offense that caused the **personal and advertising injury**,
for which such additional insured seeks coverage.

- b. However, subject always to the terms and conditions of this policy, including the limits of insurance, the Insurer will not provide such additional insured with:

- (1) a higher limit of insurance than required by such contract or agreement; or
- (2) coverage broader than required by such contract or agreement, and in no event broader than that described by the applicable paragraph A. through K. below.

Any coverage granted by this endorsement shall apply only to the extent permissible by law.

A. Controlling Interest

Any person or organization with a controlling interest in a **Named Insured**, but only with respect to such person or organization's liability for **bodily injury**, **property damage** or **personal and advertising injury** arising out of:

- 1. such person or organization's financial control of a **Named Insured**; or
- 2. premises such person or organization owns, maintains or controls while a **Named Insured** leases or occupies such premises;

provided that the coverage granted by this paragraph does not apply to structural alterations, new construction or demolition operations performed by, on behalf of, or for such additional insured.

B. Co-owner of Insured Premises

A co-owner of a premises co-owned by a **Named Insured** and covered under this insurance but only with respect to such co-owner's liability for **bodily injury**, **property damage** or **personal and advertising injury** as co-owner of such premises.

C. Grantor of Franchise

Any person or organization that has granted a franchise to a **Named Insured**, but only with respect to such person or organization's liability for **bodily injury**, **property damage** or **personal and advertising injury** as grantor of a franchise to the **Named Insured**.

D. Lessor of Equipment

Any person or organization from whom a **Named Insured** leases equipment, but only with respect to liability for **bodily injury**, **property damage** or **personal and advertising injury** caused, in whole or in part, by the **Named Insured's** maintenance, operation or use of such equipment, provided that the **occurrence** giving rise to such **bodily injury**, **property damage** or the offense giving rise to such **personal and advertising injury** takes place prior to the termination of such lease.



Technology General Liability Extension Endorsement

E. Lessor of Land

Any person or organization from whom a **Named Insured** leases land but only with respect to liability for **bodily injury, property damage or personal and advertising injury** arising out of the ownership, maintenance or use of such land, provided that the **occurrence** giving rise to such **bodily injury, property damage** or the offense giving rise to such **personal and advertising injury** takes place prior to the termination of such lease. The coverage granted by this paragraph does not apply to structural alterations, new construction or demolition operations performed by, on behalf of, or for such additional insured.

F. Lessor of Premises

An owner or lessor of premises leased to the **Named Insured**, or such owner or lessor's real estate manager, but only with respect to liability for **bodily injury, property damage or personal and advertising injury** arising out of the ownership, maintenance or use of such part of the premises leased to the **Named Insured**, and provided that the **occurrence** giving rise to such **bodily injury or property damage**, or the offense giving rise to such **personal and advertising injury**, takes place prior to the termination of such lease. The coverage granted by this paragraph does not apply to structural alterations, new construction or demolition operations performed by, on behalf of, or for such additional insured.

G. Mortgagee, Assignee or Receiver

A mortgagee, assignee or receiver of premises but only with respect to such mortgagee, assignee or receiver's liability for **bodily injury, property damage or personal and advertising injury** arising out of the **Named Insured's** ownership, maintenance, or use of a premises by a **Named Insured**.

The coverage granted by this paragraph does not apply to structural alterations, new construction or demolition operations performed by, on behalf of, or for such additional insured.

H. State or Governmental Agency or Subdivision or Political Subdivisions – Permits

A state or governmental agency or subdivision or political subdivision that has issued a permit or authorization but only with respect to such state or governmental agency or subdivision or political subdivision's liability for **bodily injury, property damage or personal and advertising injury** arising out of:

1. the following hazards in connection with premises a **Named Insured** owns, rents, or controls and to which this insurance applies:
 - a. the existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or
 - b. the construction, erection, or removal of elevators; or
 - c. the ownership, maintenance or use of any elevators covered by this insurance; or
2. the permitted or authorized operations performed by a **Named Insured** or on a **Named Insured's** behalf.

The coverage granted by this paragraph does not apply to:

- a. **Bodily injury, property damage or personal and advertising injury** arising out of operations performed for the state or governmental agency or subdivision or political subdivision; or
- b. **Bodily injury or property damage** included within the **products-completed operations hazard**.

With respect to this provision's requirement that additional insured status must be requested under a written contract or agreement, the Insurer will treat as a written contract any governmental permit that requires the **Named Insured** to add the governmental entity as an additional insured.





Technology General Liability Extension Endorsement

I. Trade Show Event Lessor

1. With respect to a **Named Insured's** participation in a trade show event as an exhibitor, presenter or displayer, any person or organization whom the **Named Insured** is required to include as an additional insured, but only with respect to such person or organization's liability for **bodily injury, property damage or personal and advertising injury** caused by:
 - a. the **Named Insured's** acts or omissions; or
 - b. the acts or omissions of those acting on the **Named Insured's** behalf,in the performance of the **Named Insured's** ongoing operations at the trade show event premises during the trade show event.
2. The coverage granted by this paragraph does not apply to **bodily injury or property damage** included within the **products-completed operations hazard**.

J. Vendor

Any person or organization but only with respect to such person or organization's liability for **bodily injury or property damage** arising out of **your products** which are distributed or sold in the regular course of such person or organization's business, provided that:

1. The coverage granted by this paragraph does not apply to:
 - a. **bodily injury or property damage** for which such person or organization is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement unless such liability exists in the absence of the contract or agreement;
 - b. any express warranty unauthorized by the **Named Insured**;
 - c. any physical or chemical change in any product made intentionally by such person or organization;
 - d. repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - e. any failure to make any inspections, adjustments, tests or servicing that such person or organization has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - f. demonstration, installation, servicing or repair operations, except such operations performed at such person or organization's premises in connection with the sale of a product;
 - g. products which, after distribution or sale by the **Named Insured**, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for such person or organization; or
 - h. **bodily injury or property damage** arising out of the sole negligence of such person or organization for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (1) the exceptions contained in Subparagraphs d. or f. above; or
 - (2) such inspections, adjustments, tests or servicing as such person or organization has agreed with the **Named Insured** to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
2. This Paragraph J. does not apply to any insured person or organization, from whom the **Named Insured** has acquired such products, nor to any ingredient, part or container, entering into, accompanying or containing such products.



Technology General Liability Extension Endorsement

3. This Paragraph J. also does not apply:

- a. to any vendor specifically scheduled as an additional insured by endorsement to this **Coverage Part**;
- b. to any of **your products** for which coverage is excluded by endorsement to this **Coverage Part**; nor
- c. if **bodily injury** or **property damage** included within the **products-completed operations hazard** is excluded by endorsement to this **Coverage Part**.

K. Other Person Or Organization / Your Work

Any person or organization who is not an additional insured under Paragraphs A. through J. above. Such additional insured is an **Insured** solely for **bodily injury, property damage** or **personal and advertising injury** for which such additional insured is liable because of the **Named Insured's** acts or omissions.

The coverage granted by this paragraph does not apply to any person or organization:

1. who is specifically scheduled as an additional insured on another endorsement to this **Coverage Part**; nor
2. for **bodily injury** or **property damage** included within the **products-completed operations hazard** except to the extent all of the following apply:
 - a. this **Coverage Part** provides such coverage;
 - b. the written contract or agreement described in the opening paragraph of this **ADDITIONAL INSUREDS** Provision requires the **Named Insured** to provide the additional insured such coverage; and
 - c. the **bodily injury** or **property damage** results from **your work** that is the subject of the written contract or agreement, and such work has not been excluded by endorsement to this **Coverage Part**.

2. ADDITIONAL INSURED - PRIMARY AND NON-CONTRIBUTORY TO ADDITIONAL INSURED'S INSURANCE

A. The **Other Insurance** Condition in the **COMMERCIAL GENERAL LIABILITY CONDITIONS** Section is amended to add the following paragraph:

If the **Named Insured** has agreed in writing in a contract or agreement that this insurance is primary and non-contributory relative to an additional insured's own insurance, then this insurance is primary, and the Insurer will not seek contribution from that other insurance. For the purpose of this Provision 2., the additional insured's own insurance means insurance on which the additional insured is a named insured.

B. With respect to persons or organizations that qualify as additional insureds pursuant to paragraph 1.K. of this endorsement, the following sentence is added to the paragraph above:

Otherwise, and notwithstanding anything to the contrary elsewhere in this Condition, the insurance provided to such person or organization is excess of any other insurance available to such person or organization.

3. BODILY INJURY – EXPANDED DEFINITION

Under **DEFINITIONS**, the definition of **bodily injury** is deleted and replaced by the following:

Bodily injury means physical injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury sustained by that person at any time which results as a consequence of the physical injury, sickness or disease.

4. BROAD KNOWLEDGE OF OCCURRENCE/ NOTICE OF OCCURRENCE

Under **CONDITIONS**, the condition entitled **Duties in The Event of Occurrence, Offense, Claim or Suit** Condition is amended to add the following provisions:

A. BROAD KNOWLEDGE OF OCCURRENCE





Technology General Liability Extension Endorsement

The **Named Insured** must give the Insurer or the Insurer's authorized representative notice of an **occurrence**, offense or **claim** only when the **occurrence**, offense or **claim** is known to a natural person **Named Insured**, to a partner, executive officer, manager or member of a **Named Insured**, or to an **employee** designated by any of the above to give such notice.

B. NOTICE OF OCCURRENCE

The **Named Insured's** rights under this **Coverage Part** will not be prejudiced if the **Named Insured** fails to give the Insurer notice of an **occurrence**, offense or **claim** and that failure is solely due to the **Named Insured's** reasonable belief that the **bodily injury** or **property damage** is not covered under this **Coverage Part**. However, the **Named Insured** shall give written notice of such **occurrence**, offense or **claim** to the Insurer as soon as the **Named Insured** is aware that this insurance may apply to such **occurrence**, offense or **claim**.

5. BROAD NAMED INSURED

WHO IS AN INSURED is amended to delete its Paragraph 3. in its entirety and replace it with the following:

3. Pursuant to the limitations described in Paragraph 4. below, any organization in which a **Named Insured** has management control:

- a. on the effective date of this **Coverage Part**; or
- b. by reason of a **Named Insured** creating or acquiring the organization during the **policy period**,

qualifies as a **Named Insured**, provided that there is no other similar liability insurance, whether primary, contributory, excess, contingent or otherwise, which provides coverage to such organization, or which would have provided coverage but for the exhaustion of its limit, and without regard to whether its coverage is broader or narrower than that provided by this insurance.

But this **BROAD NAMED INSURED** provision does not apply to:

- (a) any partnership or joint venture; or
- (b) any organization for which coverage is excluded by another endorsement attached to this **Coverage Part**.

For the purpose of this provision, and of this endorsement's **JOINT VENTURES / PARTNERSHIP / LIMITED LIABILITY COMPANIES** provision, management control means:

- A. owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of the Board of Directors of a corporation, or the members of the management board of a limited liability company; or
 - B. having the right, pursuant to a written trust agreement, to protect, control the use of, encumber or transfer or sell property held by a trust.
4. With respect to organizations which qualify as **Named Insureds** by virtue of Paragraph 3. above, this insurance does not apply to:
- a. **bodily injury** or **property damage** that first occurred prior to the date of management control, or that first occurs after management control ceases; nor
 - b. **personal or advertising injury** caused by an offense that first occurred prior to the date of management control or that first occurs after management control ceases.
5. The insurance provided by this **Coverage Part** applies to **Named Insureds** when trading under their own names or under such other trading names or doing-business-as names (dba) as any **Named Insured** should choose to employ.



Technology General Liability Extension Endorsement

6. ESTATES, LEGAL REPRESENTATIVES, AND SPOUSES

The estates, heirs, legal representatives and **spouses** of any natural person **Insured** shall also be insured under this policy; provided, however, coverage is afforded to such estates, heirs, legal representatives, and **spouses** only for **claims** arising solely out of their capacity or status as such and, in the case of a **spouse**, where such **claim** seeks **damages** from marital community property, jointly held property or property transferred from such natural person **Insured** to such **spouse**. No coverage is provided for any act, error or omission of an estate, heir, legal representative, or **spouse** outside the scope of such person's capacity or status as such, provided however that the **spouse** of a natural person **Named Insured** and the **spouses** of members or partners of joint venture or partnership **Named Insureds** are **Insureds** with respect to such **spouses'** acts, errors or omissions in the conduct of the **Named Insured's** business.

7. EXPECTED OR INTENDED INJURY – EXCEPTION FOR REASONABLE FORCE

Under **COVERAGES, Coverage A – Bodily Injury And Property Damage Liability**, the paragraph entitled **Exclusions** is amended to delete the exclusion entitled **Expected or Intended Injury** and replace it with the following:

This insurance does not apply to:

Expected or Intended Injury

Bodily injury or **property damage** expected or intended from the standpoint of the **Insured**. This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or property.

8. IN REM ACTIONS

A quasi in rem action against any vessel owned or operated by or for the **Named Insured**, or chartered by or for the **Named Insured**, will be treated in the same manner as though the action were in personam against the **Named Insured**.

9. INCIDENTAL HEALTH CARE MALPRACTICE COVERAGE

Solely with respect to **bodily injury** that arises out of a **health care incident**:

A. Under **COVERAGES, Coverage A – Bodily Injury And Property Damage Liability**, the **Insuring Agreement** is amended to replace Paragraphs 1.b.(1) and 1.b.(2) with the following:

b. This insurance applies to **bodily injury** provided that the professional health care services are incidental to the **Named Insured's** primary business purpose, and only if:

(1) such **bodily injury** is caused by an **occurrence** that takes place in the **coverage territory**.

(2) the **bodily injury** first occurs during the **policy period**. All **bodily injury** arising from an **occurrence** will be deemed to have occurred at the time of the first act, error, or omission that is part of the **occurrence**; and

B. Under **COVERAGES, Coverage A – Bodily Injury And Property Damage Liability**, the paragraph entitled **Exclusions** is amended to:

i. add the following to the **Employers Liability** exclusion:

This exclusion applies only if the **bodily injury** arising from a **health care incident** is covered by other liability insurance available to the **Insured** (or which would have been available but for exhaustion of its limits).

ii. delete the exclusion entitled **Contractual Liability** and replace it with the following:

This insurance does not apply to:





Technology General Liability Extension Endorsement

Contractual Liability

the **Insured's** actual or alleged liability under any oral or written contract or agreement, including but not limited to express warranties or guarantees.

iii. add the following additional exclusions.

This insurance does not apply to:

Discrimination

any actual or alleged discrimination, humiliation or harassment, that includes but shall not be limited to **claims** based on an individual's race, creed, color, age, gender, national origin, religion, disability, marital status or sexual orientation.

Dishonesty or Crime

Any actual or alleged dishonest, criminal or malicious act, error or omission.

Medicare/Medicaid Fraud

any actual or alleged violation of law with respect to Medicare, Medicaid, Tricare or any similar federal, state or local governmental program.

Services Excluded by Endorsement

Any **health care incident** for which coverage is excluded by endorsement.

C. DEFINITIONS is amended to:

i. add the following definitions:

Health care incident means an act, error or omission by the **Named Insured's employees or volunteer workers** in the rendering of:

- a. **professional health care services** on behalf of the **Named Insured** or
- b. Good Samaritan services rendered in an emergency and for which no payment is demanded or received.

Professional health care services means any health care services or the related furnishing of food, beverages, medical supplies or appliances by the following providers in their capacity as such but solely to the extent they are duly licensed as required:

- a. Physician;
- b. Nurse;
- c. Nurse practitioner;
- d. Emergency medical technician;
- e. Paramedic;
- f. Dentist;
- g. Physical therapist;
- h. Psychologist;
- i. Speech therapist;
- j. Other allied health professional; or

Professional health care services does not include any services rendered in connection with human clinical trials or product testing.



Technology General Liability Extension Endorsement

- ii. delete the definition of **occurrence** and replace it with the following:

Occurrence means a **health care incident**. All acts, errors or omissions that are logically connected by any common fact, circumstance, situation, transaction, event, advice or decision will be considered to constitute a single **occurrence**;

- iii. amend the definition of **Insured** to:

- a. add the following:

- the **Named Insured's employees** are **Insureds** with respect to:

(1) **bodily injury** to a co-**employee** while in the course of the co-**employee's** employment by the **Named Insured** or while performing duties related to the conduct of the **Named Insured's** business; and

(2) **bodily injury** to a **volunteer worker** while performing duties related to the conduct of the **Named Insured's** business;

when such **bodily injury** arises out of a **health care incident**.

- the **Named Insured's volunteer workers** are **Insureds** with respect to:

(1) **bodily injury** to a co-**volunteer worker** while performing duties related to the conduct of the **Named Insured's** business; and

(2) **bodily injury** to an **employee** while in the course of the **employee's** employment by the **Named Insured** or while performing duties related to the conduct of the **Named Insured's** business;

when such **bodily injury** arises out of a **health care incident**.

- b. delete Subparagraphs (a), (b), (c) and (d) of Paragraph 2.a.(1) of **WHO IS AN INSURED**.

- c. add the following:

Insured does not include any physician while acting in his or her capacity as such.

- D. The **Other Insurance** condition is amended to delete Paragraph b.(1) in its entirety and replace it with the following:

Other Insurance

b. **Excess Insurance**

- (1) To the extent this insurance applies, it is excess over any other insurance, self insurance or risk transfer instrument, whether primary, excess, contingent or on any other basis, except for insurance purchased specifically by the **Named Insured** to be excess of this coverage.

10. **JOINT VENTURES / PARTNERSHIP / LIMITED LIABILITY COMPANIES**

WHO IS AN INSURED is amended to delete its last paragraph and replace it with the following:

No person or organization is an **Insured** with respect to:

- the conduct of any current or past partnership or joint venture that is not shown as a **Named Insured** in the Declarations; nor
- the conduct of a current or past limited liability company in which a **Named Insured's** interest does/did not rise to the level of management control;

except that if the **Named Insured** was a joint venturer, partner, or member of such a limited liability company, and such joint venture, partnership or limited liability company terminated prior to or during the **policy period**, then such





Technology General Liability Extension Endorsement

Named Insured is an **Insured** with respect to its interest in such joint venture, partnership or limited liability company but only to the extent that:

- a. any offense giving rise to **personal and advertising injury** occurred prior to such termination date, and the **personal and advertising injury** arising out of such offense, first occurred after such termination date;
- b. the **bodily injury** or **property damage** first occurred after such termination date; and
- c. there is no other valid and collectible insurance purchased specifically to insure the partnership, joint venture or limited liability company.

11. LEGAL LIABILITY – DAMAGE TO PREMISES

- A. Under **COVERAGES, Coverage A – Bodily Injury and Property Damage Liability**, the paragraph entitled **Exclusions** is amended to delete the first paragraph immediately following subparagraph (6) of the **Damage to Property** exclusion and replace it with the following:

Paragraphs (1), (3) and (4) of this exclusion do not apply to **property damage** (other than damage by fire, lightning, explosion, smoke or leakage from automatic fire protective systems) to premises rented to the **Named Insured** or temporarily occupied by the **Named Insured** with the permission of the owner, nor to the contents of premises rented to the **Named Insured** for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **LIMITS OF INSURANCE**.

- B. Under **COVERAGES, Coverage A – Bodily Injury and Property Damage Liability**, the paragraph entitled **Exclusions** is amended to delete its last paragraph and replace it with the following:

Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke or leakage from automatic fire protective systems to premises while rented to a **Named Insured** or temporarily occupied by a **Named Insured** with permission of the owner, nor to damage to the contents of premises rented to a **Named Insured** for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to this coverage as described in the **LIMITS OF INSURANCE** Section.

- C. **LIMITS OF INSURANCE** is amended to delete Paragraph 6. (the Damage To Premises Rented To You Limit) and replace it with the following:

6. Subject to Paragraph 5. above, (the Each Occurrence Limit), the Damage To Premises Rented To You Limit is the most the Insurer will pay under **COVERAGE A** for **damages** because of **property damage** to:

- a. any one premises while rented to a **Named Insured** or temporarily occupied by a **Named Insured** with the permission of the owner; and
- b. contents of such premises if the premises is rented to the **Named Insured** for a period of 7 or fewer consecutive days.

The Damage To Premises Rented To You Limit is \$500,000. unless a higher Damage to Premises Rented to You Limit is shown in the Declarations.

- D. The **Other Insurance** Condition is amended to delete Paragraph b.(1)(a)(ii), and replace it with the following:

- (ii) That is property insurance for premises rented to a **Named Insured**, for premises temporarily occupied by the **Named Insured** with the permission of the owner; or for personal property of others in the **Named Insured's** care, custody or control;

- E. This Provision 11. does not apply if liability for damage to premises rented to a **Named Insured** is excluded by another endorsement attached to this **Coverage Part**.



Technology General Liability Extension Endorsement

12. MEDICAL PAYMENTS

A. **LIMITS OF INSURANCE** is amended to delete Paragraph 7. (the Medical Expense Limit) and replace it with the following:

7. Subject to Paragraph 5. above (the Each Occurrence Limit), the Medical Expense Limit is the most the Insurer will pay under **Coverage C – Medical Payments** for all medical expenses because of **bodily injury** sustained by any one person. The Medical Expense Limit is the greater of:

- (1) \$15,000 unless a different amount is shown here: ; or
- (2) the amount shown in the Declarations for Medical Expense Limit.

B. Under **COVERAGES**, the **Insuring Agreement of Coverage C – Medical Payments** is amended to replace Paragraph 1.a.(3)(b) with the following:

(b) The expenses are incurred and reported to the Insurer within three years of the date of the accident; and

13. NON-OWNED AIRCRAFT

Under **COVERAGES, Coverage A – Bodily Injury and Property Damage Liability**, the paragraph entitled **Exclusions** is amended as follows:

The exclusion entitled **Aircraft, Auto or Watercraft** is amended to add the following:

This exclusion does not apply to an aircraft not owned by any **Named Insured**, provided that:

1. the pilot in command holds a currently effective certificate issued by the duly constituted authority of the United States of America or Canada, designating that person as a commercial or airline transport pilot;
2. the aircraft is rented with a trained, paid crew to the **Named Insured**; and
3. the aircraft is not being used to carry persons or property for a charge.

14. NON-OWNED WATERCRAFT

Under **COVERAGES, Coverage A – Bodily Injury and Property Damage Liability**, the paragraph entitled **Exclusions** is amended to delete subparagraph (2) of the exclusion entitled **Aircraft, Auto or Watercraft**, and replace it with the following.

This exclusion does not apply to:

- (2) a watercraft that is not owned by any **Named Insured**, provided the watercraft is:
 - (a) less than 75 feet long; and
 - (b) not being used to carry persons or property for a charge.

15. PERSONAL AND ADVERTISING INJURY –DISCRIMINATION OR HUMILIATION

A. Under **DEFINITIONS**, the definition of **personal and advertising injury** is amended to add the following tort:

- Discrimination or humiliation that results in injury to the feelings or reputation of a natural person.

B. Under **COVERAGES, Coverage B – Personal and Advertising Injury Liability**, the paragraph entitled **Exclusions** is amended to:

1. delete the Exclusion entitled **Knowing Violation Of Rights Of Another** and replace it with the following:

This insurance does not apply to:





Technology General Liability Extension Endorsement

Knowing Violation of Rights of Another

Personal and advertising injury caused by or at the direction of the **Insured** with the knowledge that the act would violate the rights of another and would inflict **personal and advertising injury**. This exclusion shall not apply to discrimination or humiliation that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is not done intentionally by or at the direction of:

- (a) the **Named Insured**; or
- (b) any **executive officer**, director, stockholder, partner, member or manager (if the **Named Insured** is a limited liability company) of the **Named Insured**.

2. add the following exclusions:

This insurance does not apply to:

Employment Related Discrimination

Discrimination or humiliation directly or indirectly related to the employment, prospective employment, past employment or termination of employment of any person by any **Insured**.

Premises Related Discrimination

discrimination or humiliation arising out of the sale, rental, lease or sub-lease or prospective sale, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any **Insured**.

Notwithstanding the above, there is no coverage for fines or penalties levied or imposed by a governmental entity because of discrimination.

The coverage provided by this **PERSONAL AND ADVERTISING INJURY –DISCRIMINATION OR HUMILIATION** Provision does not apply to any person or organization whose status as an **Insured** derives solely from

- Provision 1. **ADDITIONAL INSURED** of this endorsement; or
- attachment of an additional insured endorsement to this **Coverage Part**.

16. PERSONAL AND ADVERTISING INJURY - LIMITED CONTRACTUAL LIABILITY

- A. Under **COVERAGES, Coverage B –Personal and Advertising Injury Liability**, the paragraph entitled **Exclusions** is amended to delete the exclusion entitled **Contractual Liability** and replace it with the following:

This insurance does not apply to:

Contractual Liability

Personal and advertising injury for which the **Insured** has assumed liability in a contract or agreement.

This exclusion does not apply to liability for **damages**:

- (1) that the **Insured** would have in the absence of the contract or agreement; or
- (2) assumed in a contract or agreement that is an **insured contract** provided the offense that caused such **personal or advertising injury** first occurred subsequent to the execution of such **insured contract**. Solely for the purpose of liability assumed in an **insured contract**, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an **Insured** are deemed to be **damages** because of **personal and advertising injury** provided:
 - (a) liability to such party for, or for the cost of, that party's defense has also been assumed in such **insured contract**; and
 - (b) such attorney fees and litigation expenses are for defense of such party against a civil or alternative dispute resolution proceeding in which covered **damages** are alleged.



Technology General Liability Extension Endorsement

- B. Solely for the purpose of the coverage provided by this paragraph, **DEFINITIONS** is amended to delete the definition of **insured contract** in its entirety, and replace it with the following:

Insured contract means that part of a written contract or written agreement pertaining to the **Named Insured's** business under which the **Named Insured** assumes the tort liability of another party to pay for **personal or advertising injury** arising out of the offense of false arrest, detention or imprisonment. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

- C. Solely for the purpose of the coverage provided by this paragraph, the following changes are made to the Section entitled **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**:

1. Paragraph 2.d. is replaced by the following:

- d. The allegations in the **suit** and the information the Insurer knows about the offense alleged in such **suit** are such that no conflict appears to exist between the interests of the **Insured** and the interests of the indemnitee;

2. The first unnumbered paragraph beneath Paragraph 2.f.(2)(b) is deleted and replaced by the following:

So long as the above conditions are met, attorneys fees incurred by the Insurer in the defense of that indemnitee, necessary litigation expenses incurred by the Insurer, and necessary litigation expenses incurred by the indemnitee at the Insurer's request will be paid as **defense costs**. Notwithstanding the provisions of Paragraph e.(2) of the Contractual Liability exclusion (as amended by this Endorsement), such payments will not be deemed to be **damages** for **personal and advertising injury** and will not reduce the limits of insurance.

- D. This **PERSONAL AND ADVERTISING INJURY - LIMITED CONTRACTUAL LIABILITY** Provision does not apply if **Coverage B –Personal and Advertising Injury Liability** is excluded by another endorsement attached to this **Coverage Part**.

17. PROPERTY DAMAGE – ELEVATORS

- A. Under **COVERAGES, Coverage A – Bodily Injury and Property Damage Liability**, the paragraph entitled **Exclusions** is amended such that the **Damage to Your Product** Exclusion and subparagraphs (3), (4) and (6) of the **Damage to Property** Exclusion do not apply to **property damage** that results from the use of elevators.

- B. Solely for the purpose of the coverage provided by this **PROPERTY DAMAGE – ELEVATORS** Provision, the **Other Insurance** conditions is amended to add the following paragraph:

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is Property insurance covering property of others damaged from the use of elevators.

18. SUPPLEMENTARY PAYMENTS

The section entitled **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** is amended as follows:

- A. Paragraph 1.b. is amended to delete the \$250 limit shown for the cost of bail bonds and replace it with a \$5,000. limit; and
- B. Paragraph 1.d. is amended to delete the limit of \$250 shown for daily loss of earnings and replace it with a \$1,000. limit.

19. PROPERTY DAMAGE - PATTERNS MOLDS AND DIES

Under **COVERAGES, Coverage A – Bodily Injury and Property Damage Liability**, the paragraph entitled **Exclusions** is amended to delete subparagraphs (3) and (4) of the Exclusion entitled **Damage to Property**, but only with respect to patterns, molds or dies that are in the care, custody or control of the **Insured**, and only if such patterns, molds or dies are not being used to perform operations at the time of loss. A limit of insurance of \$25,000 per **policy period** applies to this **PROPERTY DAMAGE - PATTERNS MOLDS AND DIES** coverage, and this limit:





Technology General Liability Extension Endorsement

- A. is included within the General Aggregate Limit as described in **LIMITS OF INSURANCE**; and
- B. applies excess over any valid and collectible property insurance available to the **Insured**, including any deductible applicable to such insurance; the **Other Insurance** condition is changed accordingly.

20. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

If the **Named Insured** unintentionally fails to disclose all existing hazards at the inception date of the **Named Insured's Coverage Part**, the Insurer will not deny coverage under this **Coverage Part** because of such failure.

21. WAIVER OF SUBROGATION - BLANKET

Under **CONDITIONS**, the condition entitled **Transfer Of Rights Of Recovery Against Others To Us** is amended to add the following:

The Insurer waives any right of recovery the Insurer may have against any person or organization because of payments the Insurer makes for injury or damage arising out of:

1. the **Named Insured's** ongoing operations; or
2. **your work** included in the **products-completed operations hazard**.

However, this waiver applies only when the **Named Insured** has agreed in writing to waive such rights of recovery in a written contract or written agreement, and only if such contract or agreement:

1. is in effect or becomes effective during the term of this **Coverage Part**; and
2. was executed prior to the **bodily injury, property damage or personal and advertising injury** giving rise to the claim.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

POLICY NUMBER
C 5099271957

INSURED NAME AND ADDRESS
BYRNE SOFTWARE TECHNOLOGIES, INC.
16091 SWINGLEY RIDGE RD STOP 200
CHESTERFIELD, MO 63017-2056

POLICY CHANGES
DESIGNATED INSURED BLANKET (CA2048)

This Change Endorsement changes the Policy. Please read it carefully.
This Change Endorsement is a part of your Policy and takes effect on the
effective date of your Policy, unless another effective date is shown.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED BLANKET

ANY PERSON OR ORGANIZATION THAT THE NAMED INSURED IS OBLIGATED TO
PROVIDE INSURANCE WHERE REQUIRED BY A WRITTEN CONTRACT OR AGREEMENT
IS AN INSURED, BUT ONLY WITH RESPECT TO LEGAL RESPONSIBILITY FOR
ACTS OR OMISSIONS OF A PERSON OR ORGANIZATION FOR WHOM LIABILITY
COVERAGE IS AFFORDED UNDER THIS POLICY.



Thomas F. Mohamed
Chairman of the Board

Jonathan Kauter
Secretary

POLICY NUMBER: C5099271957

COMMERCIAL AUTO
CA 04 44 10 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US (WAIVER OF SUBROGATION)**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: BYRNE SOFTWARE TECHNOLOGIES, INC.

Endorsement Effective Date: 01/28/2017

SCHEDULE

Name(s) Of Person(s) Or Organization(s):

ANY PERSON OR ORGANIZATION FOR WHOM
OR WHICH YOU ARE REQUIRED BY WRITTEN
CONTRACT OR AGREEMENT TO OBTAIN THIS
WAIVER FROM US. YOU MUST AGREE TO THAT
REQUIREMENT PRIOR TO LOSS.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**The Transfer Of Rights Of Recovery Against Others
To Us** condition does not apply to the person(s) or
organization(s) shown in the Schedule, but only to the
extent that subrogation is waived prior to the "accident"
or the "loss" under a contract with that person or
organization.

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**Workers Compensation And Employers Liability Insurance
Policy Endorsement**

BLANKET WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS

This endorsement changes the policy to which it is attached.

It is agreed that **Part One - Workers' Compensation Insurance G. Recovery From Others** and **Part Two - Employers' Liability Insurance H. Recovery From Others** are amended by adding the following:

We will not enforce our right to recover against persons or organizations. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

PREMIUM CHARGE - Refer to the Schedule of Operations

The charge will be an amount to which you and we agree that is a percentage of the total standard premium for California exposure. The amount is 2%.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: G-19160-B (11-1997)

Endorsement Effective Date:

Endorsement No: 2; Page: 1 of 1

Underwriting Company: National Fire Insurance Company of Hartford, 333 S Wabash Ave, Chicago, IL
60604

Endorsement Expiration Date:

Policy No: WC 5 99612225

Policy Effective Date: 01/28/2017

Policy Page: 31 of 43

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 10/17/2017

SUBJECT: Acceptance of Contract and Notice of Completion for Contract with O'Duffy Bros., Inc. and Appropriate Additional Funds for the Glenbrook Tract Water and Street Improvements, Project 7452

RECOMMENDATION

1. Accept Project as complete and authorize City Clerk to record Notice of Completion; and
2. Authorize City Clerk to release the Payment and Performance Bond upon notification from Public Works Department; and
3. Adopt Resolution to appropriate an additional \$63,750 from the Water Fund (Fund 420) and \$61,250 from Measure M (Fund 260) in the sum total of \$125,000 for the Project construction contingency and administration; and
4. Increase the construction contingency from 22% to 28%

BACKGROUND/DISCUSSION

On March 22, 2016, City Council awarded a Contract to O'Duffy Bros., Inc. ("Contractor") in the amount of \$2,397,058 for the Glenbrook Tract Water and Street Improvements, Project 7452 ("Project"). The Project rehabilitated/resurfaced the existing pavement of the residential streets in the Glenbrook Tract neighborhood bounded by Birch Street to the north, Orange 57 Freeway to the west, Greenbriar Lane/Hillhaven Drive to the south, and the Brea Union Plaza to the east. This Project also replaced approximately 12,700 linear feet of water main, services, gate valves, fire hydrants, and appurtenances. Lastly, this Project replaced damaged and/or uplifted sections of curb, gutter, and sidewalk, and reconstructed curb access ramps to be in compliance with Americans with Disabilities Act (ADA) requirements.

During construction, the Contractor incurred additional costs due to unforeseen conditions related to numerous unmarked or mis-marked underground utilities (i.e. SCE, Gas, AT&T, street lighting and existing water main) which required additional potholing, deeper excavations, hand digging, realignment of water mains, and additional pipe fittings. Furthermore, staff requested to reconnect three additional water main connections in the existing easement by the Glenbrook Club House to provide less disruption to the residents during routine maintenance and fixing water leaks.

In order to pay for the aforementioned extra work, City staff requested to increase the Construction Contract contingency from 10% to 22%, which brought the Construction Contract budget to \$2,922,058 (\$2,397,058+\$525,000). On April 4, 2017, the City Council approved this contingency increase and adopted Resolution 2017-108, which amended the 2016-2017 Capital Improvement Program budget and appropriated an additional \$314,000 to the Project. The total

amount of the Contract Change Orders ("CCO's") No. 1 – 5 for the extra work is \$471,860.

As previously stated, since a portion of these CCO's are related to underground utility conflicts with various utility companies (Gas, SCE and AT&T) staff submitted an invoice to these companies with a request for reimbursements for the mis-marked/unmarked facilities that caused the Contractor significant delay. The total amount submitted to these companies was approximately \$144,000. Staff has received some responses from the utility companies regarding the reimbursement requested, but without a commitment of payment. Therefore, staff will continue to work with the utility companies to obtain a reimbursement resolution to the extra project costs associated with their utility conflict.

Subsequent to the City Council approval of additional funds, the Contractor encountered further unforeseen conditions that resulted in more delays and additional costs, which exceeded the April 4, 2017 City Council approved budget adjustment.

The additional changes were as follows:

1. Encountered unmarked street light conduit and removal and restoration of additional unstable pavement sections in various areas as directed by the City Engineer to provide long-term pavement stability and diminish early reflective surface cracking (\$41,143.56) (CCO No. 6).
2. Adjustment of original Contract quantities to reflect actual quantities based on field measurement. One of the major cost items that increased above the original Contract quantities was the asphalt tonnage at various locations. This was mainly due to variations in the existing thickness of the asphalt in some locations, which needed to be adjusted in the field to address proper pavement tie-in at curbs with a focus on increasing the stability and integrity of the pavement at these locations (\$99,965.85) (CCO No. 8).

The Contractor completed the Project (including punch list items) on June 6, 2017. Subsequent to the completion of the work, the Contractor presented a claim of approximately \$150,000 for Extended Field Office (i.e. yard rental, field office, staff salaries, etc.) and Home Office overhead. Staff negotiated this claim with the Contractor, which resulted in a mutually agreed amount of \$49,467.54 for the extended overhead costs (CCO No. 7). Therefore, the total amount of these final CCO's (No. 6 – 8) is \$190,576.95, which exceeds the remaining contingency budget by \$137,436.48. The following is summary of all CCO's (No.1-8) with Contingency amounts:

Continued on Next Page

CCO #	Description	Status	Amount (\$)
1	Realigned new water line at Fig Street due existing water line conflict; numerous utility conflicts at various locations; Additional water valves and fittings at Chevy Chase, Valverde and Glenbrook Clubhouse parking lot (Phase 1).	Approved	77,170.33
2	Modifications to Water connection and various utility conflicts. Additional water valves and fittings at Chevy Chase, Valverde and Glenbrook Clubhouse parking lot (Phase 2).	Approved	68,264.32
3	Complete additional water connections at Chevy Chase, Valverde and Glenbrook Clubhouse parking lot (Final Phase). Numerous utility conflicts at various locations.	Approved	122,468.89
4	Realigned new water line due to fiber optic cable conflict and numerous utility conflicts at various locations.	Approved	99,457.34
5	Unexpected deeper high pressure main line to be abandoned at Birch and Redbay. Numerous utility conflicts with house water services.	Approved	104,498.65
6	Encountered unmarked street light conduit; remove and replaced 1.5 inches of pavement at various locations.	Pending Approval	41,143.56
7	Extended Overhead Costs due to project delays	Pending Approval	49,467.54
8	Final Quantities - Adjustment of original Contract to reflect actual quantities based on field measurement.	Pending Approval	99,965.85
1-8	Total CCO Costs (28% of Contract)		662,436.48
	Approved April 4, 2017 Contingency (22%)		525,000
	Contingency Amount Increase		137,436.48

The sum total of the final CCO's (1-8) for this Project amounts to 28% of the original Contract amount as shown in the table. Therefore, staff is requesting the City Council consider increasing the Project Construction Contingency amount from \$525,000 (22%) to \$662,436.48 (28%) to cover the CCO's. Furthermore, staff is requesting the City Council consider appropriating additional funds to the Project budget through a Resolution in order for staff to process the final payment of the Contract with the Contractor (see Fiscal Impact Section of this Report for budget details).

As stated previously herein and as discussed within the April 4, 2017 City Council staff report, the majority of the CCO's for this Project involved unforeseen utility conflicts, which delayed the Contractor from installing the water line improvements. The plans and specifications did provide existing utility information that was provided during the design phase from the individual utility companies. However, additional utility exploration and pot-holing was not completed during the design phase to further identify potential conflicts between the new water line and existing underground utilities, which could have minimized the delay and costs. Therefore, to minimize this potential utility conflict issue in the future, the Public Works Department will require that all utility information obtained from each utility company be supplemented with field exploration and pot-hole work to identify and resolve any utility conflicts as part of the design phase of a project prior to bid.

Furthermore, as part of this Project, there was an increase to the AC pavement item which was necessary to provide a proper stable and optimum surface to sustain a prolonged life of the local roadways within this subdivision. This extra AC pavement work was within the control of the City staff with design and construction management/inspection consultants. Therefore, to assure the design provides a complete assessment and appropriate AC pavement design in the future, staff will utilize additional pavement exploration work in coordination with the Pavement Management Plan, such as AC coring and dig outs, during the design phase. There will be an increased cost within the design phase for both the utility and AC pavement exploration efforts, however, this proactive design approach will minimize the potential utility conflicts and AC pavement overage during construction, hence, reducing the CCO's and contingency budget.

COMMISSION/COMMITTEE RECOMMENDATION

At the Finance Committee on October 10, 2017, the Committee recommended approval of the item and to continue pursuing reimbursement from the utility companies and elevate the issue to obtain payment resolution.

FISCAL IMPACT/SUMMARY

The total approved April 4, 2017 budget for the Project was \$3,214,000 with funding coming from a combination of Measure M (\$663,000), Sewer (\$30,000), Urban Runoff (\$7,000), and Water (\$2,514,000) funds. The final CCO's for this Project exceed the approved contingency of \$525,000 (22%) by \$137,436.48 bringing the total construction contingency to \$662,436.48 (28%). However, staff was able to keep the construction engineering and administration costs to \$264,371, which is less than the April 4, 2017 approved budget of \$291,942. Therefore, staff is requesting the City Council consider an additional \$125,000 to the Project budget with \$63,750 from the Water Fund (Fund 420) and \$61,250 from Measure M (Fund 260). This will complete the funding for the Project and allow staff to process the Final Payment for the Construction Contract inclusive of the final CCO's.

Additionally, a Resolution appropriating the added funds from Fund 420 and Fund 260 to the Project is attached for City Council consideration and approval. There is no General Fund impact from this action. The following table provides a breakdown of the construction and construction engineering budget with the requested additional funds:

Original Contract Amount	\$2,397,058
Change Order Nos. 1-8	\$662,436.48
Final Construction Contract Amount	\$3,059,494.48
Asphalt Repair by City's Maintenance Contractor	\$15,134
Construction Engineering (i.e. inspections, administration, CIP Management)	\$264,371
TOTAL CONSTRUCTION COST (Rounded)	\$3,339,000
April 4, 2017 Approved Budget	\$3,214,000
Shortfall	(\$125,000)

The Project installed approximately 12,700 linear feet of water line and resurfaced/rehabilitated the street pavement in the Glenbrook Track neighborhood. This Project also encountered unforeseen conditions including numerous utility conflicts and other unanticipated work as well as extra needed water connections, additional asphalt and extended office overhead that resulted in additional costs, which exceeded the Project budget.

The Contractor has completed the Project and fulfilled its obligations to the City per the subject Contract. Therefore, staff is recommending the following consideration from the City Council:

1. Accept the Project as complete and authorize the City Clerk to record a Notice of Completion (see attached NOC).
2. Authorize the City Clerk to release the Payment and Performance Bonds upon notification from the Public Works Department.
3. Appropriate additional funds of \$125,000 to the Project budget (see attached Resolution).
4. Increase the construction contingency from \$525,000 (22%) to \$662,436.48 (28%).

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Steve Kooyman, P.E., City Engineer

Concurrence: Tony Olmos, P.E., Public Works Director

Attachments

Resolution 2017-066

RESOLUTION NO. 2017-066

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA TO AMEND THE FISCAL YEAR 2016-17 OF THE CAPITAL IMPROVEMENT PROGRAM BUDGET AND APPROPRIATE ADDITIONAL FUNDS FROM THE WATER UTILITY FUND (420) AND MEASUREM FUND (260) TO THE CAPITAL IMPROVEMENT PROGRAM FUND (510) FOR PROJECT 7452, GLENBROOK TRACT WATERLINE IMPROVEMENTS

A. RECITALS:

(i) The City Council has determined that it is in the best interest of the City of Brea to appropriate funds from the Water Utility Fund (420) and Measure M Fund (260), to the Capital Improvement Program Fund (510), for Project 7452, Glenbrook Tract Waterline Improvements, for the fiscal year 2016-17.

(ii) The Capital Improvement Program Budget, Resolution No. 2016-049, and subsequent amendments, did not appropriate funds for this unanticipated adjustment.

B. RESOLUTION:

NOW, THEREFORE, be it found, determined and resolved by the City Council of the City of Brea that Capital Improvement Program Budget, Resolution No. 2016-049, as heretofore amended, be further amended to:

1. Increase funding from the Water Utility Fund (420) to Capital Improvement Program Fund (510) for Project 7452, Glenbrook Track Waterline Improvements, by \$63,750; and

2. Increase funding from the Measure M Fund (260) to Capital Improvement Program Fund (510) for Project 7452, Glenbrook Track Waterline Improvements, by \$61,250; and

3. Appropriate an additional \$125,000 to the Capital Improvement Program Fund (510) for Project 7452, Glenbrook Track Waterline Improvements.

APPROVED AND ADOPTED this 17th day of October, 2017.

Cecilia Hupp, Mayor

ATTEST: _____
Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the 17th day of October, 2017, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAINED:	COUNCIL MEMBERS:

Dated: _____

Lillian Harris-Neal, City Clerk

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
FROM: Bill Gallardo, City Manager
DATE: 10/17/2017
SUBJECT: Public Water Easements for La Floresta Development Planning Area 11

RECOMMENDATION

Accept easements and authorize City Clerk to execute and record the easements

BACKGROUND/DISCUSSION

Tentative Tract Map 16934 (also known as La Floresta Development) was conditionally approved by Planning Commission Resolution No. PC 08-20 on September 23, 2008. The La Floresta Development is located at the northeast corner of Imperial Highway and Valencia Avenue. Planning Area 11 is a private recreation center within the age-qualified part (Buena Vida) of the overall development. Refer to Exhibit "A" attached for the location of Planning Area 11.

In order to provide fire service with fire hydrants to this area, two 8-inch public water lines were constructed within private drive aisles as part of the improvements required for the recreation center construction. Therefore, two public water easements for these lines are required to be dedicated by the Developer to the City for maintenance and operations purposes. Refer to Exhibit "B" for the locations of these easements.

FISCAL IMPACT/SUMMARY

There are maintenance costs associated with the public water lines, which are funded through the City's User Fees. Therefore, there will be no General Fund impact from these improvements. Hence, staff is recommending the City Council to consider accepting the public water easements for La Floresta Planning Area 11.

RESPECTFULLY SUBMITTED:

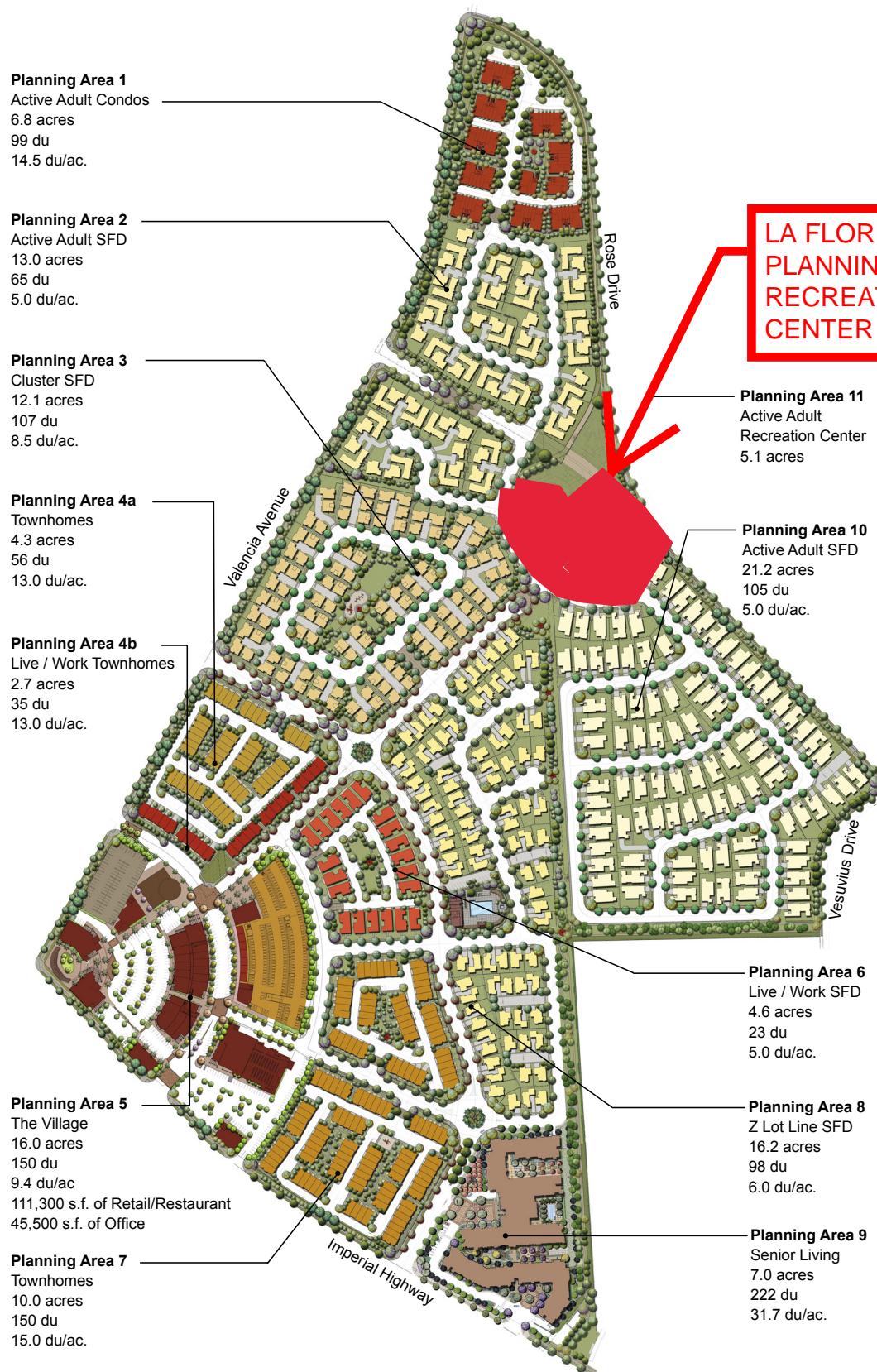
William Gallardo, City Manager
Prepared by: Hsing Chao, Associate Engineer
Concurrence: Steve Kooyman, P.E. City Engineer

Attachments

Exhibit "A" - Location Exhibit

Exhibit "B" - Public Water Easement Location

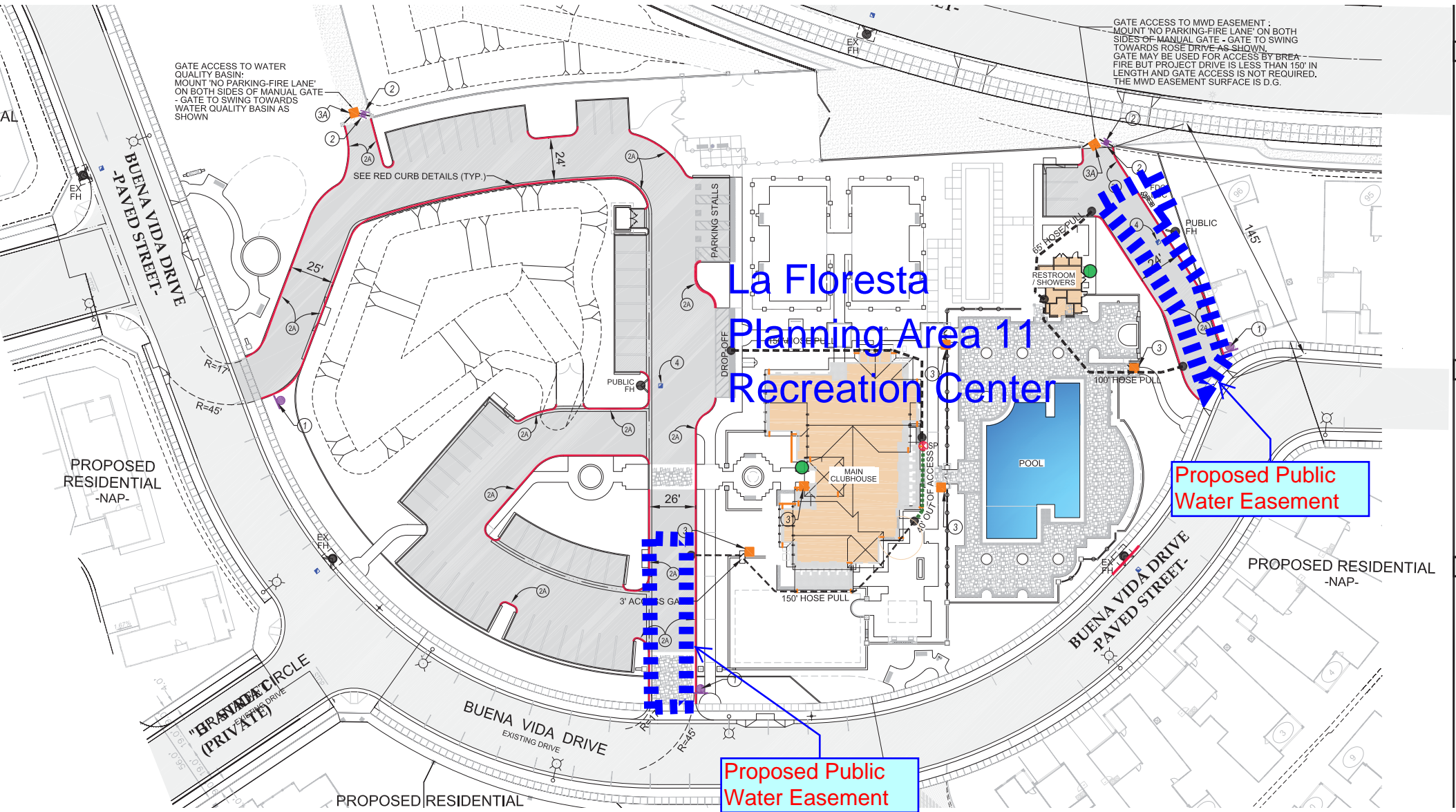
Public Water Easement



Note: Plans shown are conceptual in nature and are provided for illustrative purposes only. Final plans will be submitted as part of the Precise Development Plan process.



Public Water Easement Location Exhibit



Recording Requested and
when Recorded Mail to:

CITY CLERK
CITY OF BREA
1 CIVIC CENTER DRIVE
BREA, CA 92821

Space above this line for recorder's use Free Recording Requested
G.C. §§ 6103 & 27383
No Document Transfer Tax pursuant to Rev. Tax Code § 11922

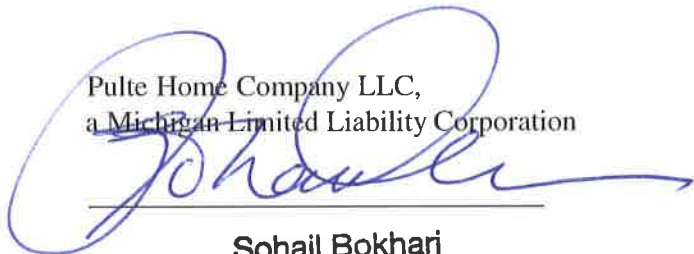
DEED OF EASEMENT

The undersigned grantor declares:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned hereby grants to the CITY OF BREA, a Municipal Corporation, for public water line and water appurtenances purposes, an easement in, over, and across all that real property situated in the City of BREA, County of Orange, State of California, described and shown in Exhibit "A", attached hereto.

DATED: JAN 30 2017

Pulte Home Company LLC,
a Michigan Limited Liability Corporation



Sohail Bokhari
Director of Land

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

On 1/30/17 before me Maziar Safie Soltani a Notary Public, personally appeared Sohail Bokhari who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]

(seal)



EXHIBIT "A"
LEGAL DESCRIPTION

In the City of Brea, County of Orange, State of California, being those portions of Lot 12 of Tract No. 17150, filed in Book 905, Pages 19 through 36, inclusive, of Miscellaneous Maps, in the office of the County Recorder of said County, described as follows:

Parcel 1

Strip A

A strip of land 20.00 feet wide, the centerline being described as follows: **Commencing** at the southeasterly terminus of that certain course "N 44°17'02" W 77.67'" shown along the centerline of Buena Vida Drive on said Tract; thence along said centerline, North 44°17'02" West 72.44 feet; thence perpendicular, North 45°42'58" East 28.00 feet to a point on the southwesterly line of said Lot, said point being the **True Point of Beginning**; thence continuing North 45°42'58" East 71.04 feet to a point referred to hereon as **Point A**; thence continuing North 45°42'58" East 5.00 feet to the terminus of this strip.

The sidelines of said strip to terminate southwesterly in said southwesterly line of said Lot.

Strip B

Together with a strip of land 10.00 feet wide, the centerline being described as follows: **Commencing** at the above described **Point A**; thence North 44°17'02" West 10.00 feet to the **True Point of Beginning**; thence continuing North 44°17'02" West 5.00 feet to the terminus of this strip.

Containing an area of 1571 Square Feet, more or less.

Parcel 2

Strip C

A strip of land 20.00 feet wide, the centerline being described as follows: **Commencing** at the easterly terminus of that certain curve shown along the centerline of Buena Vida Drive designated

Revised: May 31, 2017
February 6, 2017
WO No. 0708-61
Page 1 of 2
H&A Legal No. 8997 Water
By: C. Tripi
Checked By: R. Wheeler

EXHIBIT "A"
LEGAL DESCRIPTION

as "C111" and listed as Delta= $56^{\circ}47'08''$, Radius=53.00', Length=52.53', said terminus also being at the easterly line of Lot VV of said Tract, a radial line to said terminus bears North $36^{\circ}20'24''$ East; thence westerly along said curve and centerline, 34.63 feet through a central angle of $37^{\circ}25'46''$; thence radial from said centerline, North $01^{\circ}05'22''$ West 36.41 feet to a point on the southerly line of said Lot 12, said point being the **True Point of Beginning** and the beginning of a non-tangent curve concave easterly having a radius of 15.00 feet, a radial line to said beginning bears North $89^{\circ}11'07''$ West, thence northerly along said curve 7.02 feet through a central angle of $26^{\circ}49'24''$ to a line that is parallel with and distant 15.00 feet northwesterly from that certain course shown along the northwesterly line of Lot 16 of said Tract as " $N27^{\circ}38'17''E$ 138.45'" ; thence along said parallel line, North $27^{\circ}38'17''$ East 36.28 feet to the beginning of a curve concave northwesterly having a radius of 35.00 feet; thence northerly along said curve 8.95 feet through a central angle of $14^{\circ}39'08''$; thence North $12^{\circ}59'09''$ East 49.60 feet to a point referred to hereon as **Point B**; thence continuing North $12^{\circ}59'09''$ East 10.00 feet to the terminus of this strip.


The sidelines of said strip to terminate southerly in said southerly line of Lot 12.

Strip D

Together with a strip of land 20.00 feet wide, the centerline being described as follows: **Commencing** at the above described **Point B**, thence South $77^{\circ}00'51''$ East 10.00 feet to the **True Point of Beginning**; thence continuing South $77^{\circ}00'51''$ East 16.00 feet to the terminus of this strip.

Containing an area of 2564 Square Feet, more or less.

All as shown on Exhibit "B" attached hereto and by this reference made a part hereof.


Charles R. Tripi, PLS 7299
Date: 5/31/17



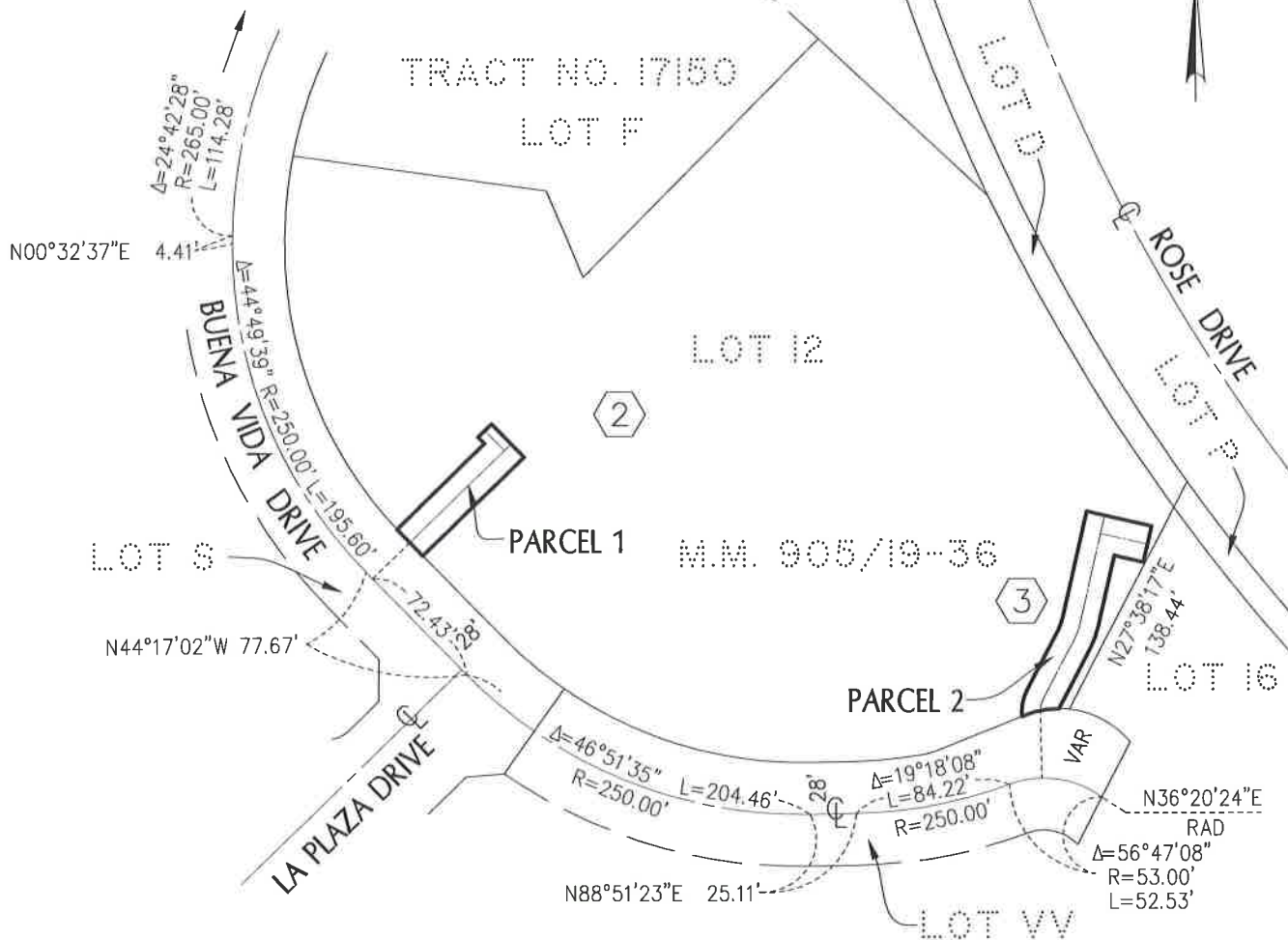
Revised: May 31, 2017
February 6, 2017
WO No. 0708-61
Page 2 of 2
H&A Legal No. 8997 Water
By: C. Tripi
Checked By: R. Wheeler

EXHIBIT "B"

Sketch to Accompany Legal Description



INDICATES SHEET NUMBER



Charles R. Tripi

5/31/17

CHARLES R. TRIPI, PLS 7299

DATED



HUNSAKER & ASSOCIATES
IRVINE, INC.

PLANNING ■ ENGINEERING ■ SURVEYING

Three Hughes ■ Irvine, CA 92618 ■ PH: (949) 583-1010 ■ FX: (949) 583-0759

EXHIBIT "B"

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 1/13/17 REV. DATE: 5/31/17 DWG: C.TRIPI

CK'd By: R.WHEELER

SCALE: 1"=100'

W.O. 0708-61

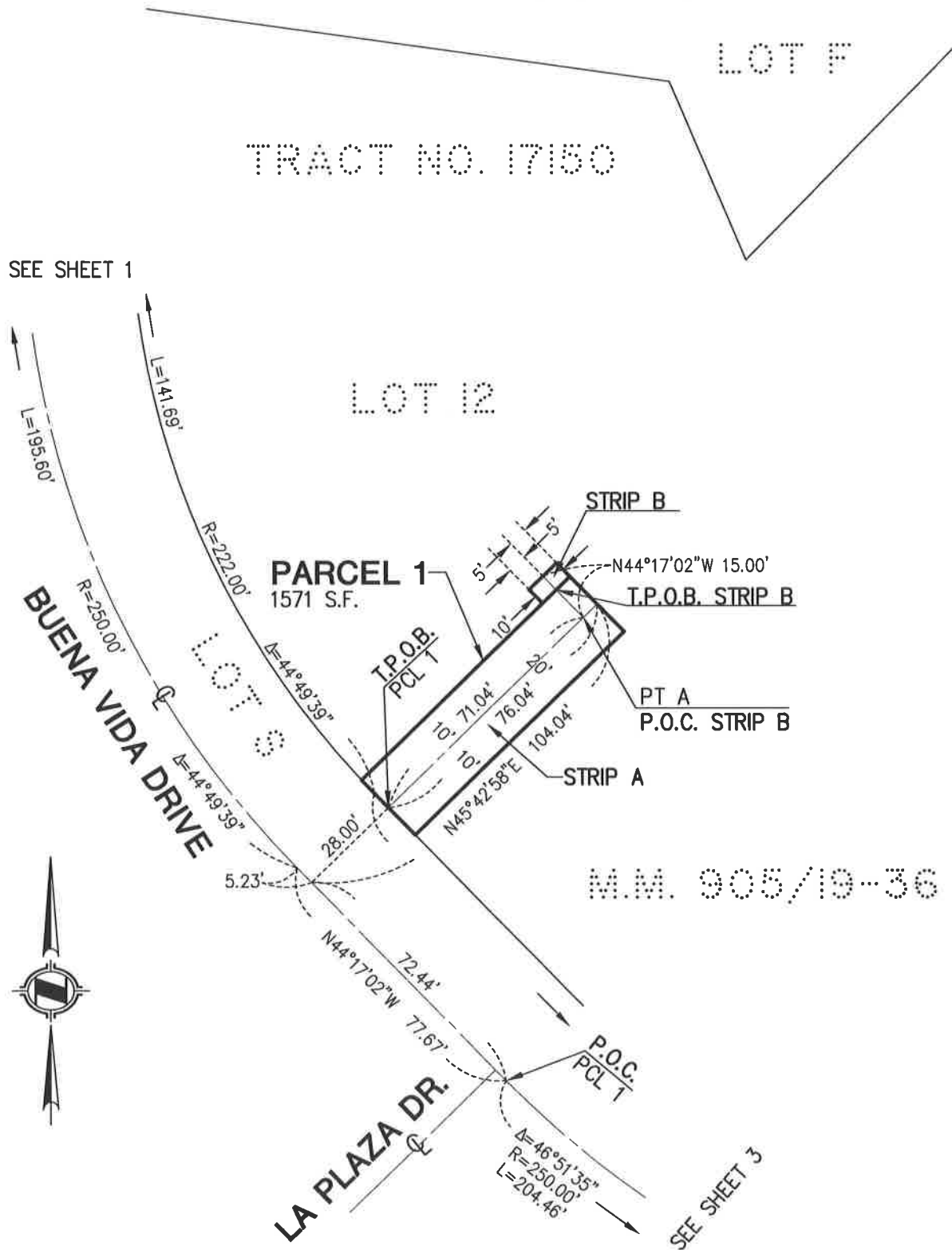
I: \Hartley\LA FLORESTA\LD\8997 Water\SH01.dwg

H&A LEGAL No. 8997

SHEET 1 OF 3

EXHIBIT "B"

Sketch to Accompany Legal Description



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PLANNING ■ ENGINEERING ■ SURVEYING
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

EXHIBIT "B"

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 1/13/17	REV. DATE: 5/31/17	DWG: C.TRIPI	CK'd By: R.WHEELER	SCALE: 1"=40'	W.O. 0708-61
I: \Hartley\LA FLORESTA\LD\8997 Water\SHT02.dwg				H&A LEGAL No. 8997	SHEET 2 OF 3

EXHIBIT "B"

Sketch to Accompany Legal Description

LINE TABLE		
LINE	BEARING	LENGTH
L1	N68°05'49"E	1.73'
L2	N01°05'22"W	36.41'
L3	N12°59'09"E	59.60'
L4	N27°38'17"E	36.28'
L5	N77°00'51"W	26.00'

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	21°44'57"	50.00'	18.98'
C2	26°49'24"	15.00'	7.02'
C3	14°39'08"	35.00'	8.95'

TRACT NO. 17150

ROSE DRIVE

LOT 16

LOT 12

PARCEL 2
2564 S.F.

M.M. 905/19-36

BUENA VIDA DRIVE

LOT 11

Δ=46°51'35"
R=250.00'
L=204.46'

N88°51'23"E 25.11'

Δ=19°21'22"
L=17.90'

Δ=19°18'08"
R=250.00'
L=84.22'

Δ=37°25'46"
L=34.63'

Δ=56°47'08"
R=53.00'
L=52.53'

P.O.C.
PCL 2

T.P.O.B.
PCL 2

N89°11'07"W
RAD

N68°05'49"E
50.49'

Δ=71°51'19"
R=50.00'
L=62.71'

N75°06'00"W R=5'
N00°09'14"W R=50'

N36°20'24"E
RAD

P.O.C. STRIP D
PT B

T.P.O.B. STRIP D

STRIP D

SEE SHEET 2



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IRVINE, INC.
PLANNING ■ ENGINEERING ■ SURVEYING
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

EXHIBIT "B"

CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 1/13/17	REV. DATE: 5/31/17	DWG: C.TRIPI	CK'd By: R.WHEELER	SCALE: 1"=40'	W.O. 0708-61
I:\Hartley\LA FLORESTA\LD\8997 Water\SH03.dwg				H&A LEGAL No. 8997	SHEET 3 OF 3

Map Check

Record: I:\Hartley\LA FLORESTA\LD\8997 Water\MapCheck\PCL 1 STRIP A 8997.cgc
 Date: 05/31/17 01:39:36 PM Date Created: 05/31/17 01:37:22 PM
 By: Chuck
 Title: PCL 1 STRIP A 8997

Crs	Bearing	Distance	Northing	Easting
Starting Coordinates			279731.1379	77174.0158
1.	N 45°42'58" E	75.99	279784.1952	77228.4162
2.	S 44°17'02" E	20.00	279769.8774	77242.3805
3.	S 45°42'58" W	76.04	279716.7852	77187.9443
4.	N 44°17'02" W	15.23	279727.6882	77177.3105
5.	N 45°42'58" E RAD	222.00		
	+01°13'50" L=	4.77	T= 2.38	
	S 46°56'48" W RAD	222.00	279882.6917	77336.2379
Ending Coordinates			279731.1370	77174.0184
ERROR OF CLOSURE			Delta N	Delta E
	S 70°39'52" E	0.003	0.0009	-0.0025
One part in 71149				
Perimeter = 192.03 ft; Area = 1520.72 sq ft, 0.035 Acres				

Map Check

Record: I:\Hartley\LA FLORESTA\LD\8997 Water\MapCheck\PCL 2 LD 8997.cgc
 Date: 01/17/17 01:03:08 PM Date Created: 01/17/17 12:58:49 PM
 By: Chuck
 Title: PCL 2 LD 8997

Crs	Bearing	Distance	Northing	Easting
Starting Coordinates			279629.8972	77509.7541
1.	N 00°57'07" W	2.55	279632.4469	77509.7118
2.	N 89°02'53" E RAD	25.00	T= 6.37	279632.8622
	+28°35'24" L=	12.47		
	N 62°21'43" W RAD	25.00		
3.	N 27°38'17" E	36.28	279676.5996	77529.3906
4.	N 62°21'43" W RAD	25.00	T= 3.21	279688.1967
	-14°39'07" L=	6.39		
	S 77°00'50" E RAD	25.00		
5.	N 12°59'09" E	59.60	279740.6546	77544.9966
6.	S 77°00'51" E	36.00	279732.5651	77580.0759
7.	S 12°59'09" W	20.00	279713.0766	77575.5817
8.	N 77°00'51" W	16.00	279716.6719	77559.9909
9.	S 12°59'09" W	39.60	279678.0847	77551.0924
10.	N 77°00'51" W RAD	45.00	T= 5.79	279688.1966
	+14°39'07" L=	11.51		
	S 62°21'44" E RAD	45.00		
11.	S 27°38'17" W	36.28	279635.1817	77530.2789
12.	S 62°21'43" E RAD	5.00	T= 0.56	279632.8623
	-12°44'16" L=	1.11		
	N 75°05'59" W RAD	5.00		
13.	S 00°09'14" E RAD	50.00	T= 9.61	279584.1482
	-21°44'57" L=	18.98		
	N 21°54'11" W RAD	50.00		
14.	S 68°05'49" W	1.73	279629.8936	77509.7538
Ending Coordinates			279629.8936	77509.7538
ERROR OF CLOSURE			Delta N	Delta E
	S 04°53'27" W	0.004	0.0036	0.0003
One part in 82605				
Perimeter = 298.50 ft; Area = 2564.08 sq ft, 0.059 Acres				

City of Brea

COUNCIL COMMUNICATION

FROM: Bill Gallardo, City Manager

DATE: 10/17/2017

SUBJECT: October 6 and 13, 2017 City Check Registers - Approve.

Attachments

10-06-17 City Check Register

10-13-17 City Check Register

City Check Register for: Oct 6, 2017

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
176157	AAA ELECTRIC MOTOR SALES, INC.	10/06/2017	3615	490515151	10HP AH11 MOTOR:CCC	\$668.10
AAA ELECTRIC MOTOR SALES, INC. Total Check Amount:						\$668.10
176158	ALL AMERICAN ASPHALT	10/06/2017	1571	510707310	CENTRAL/TAMARCK AUG17	\$224,510.03
		10/06/2017	1571	510707318	LAMBERT/KRAEMER AUG17	\$276,179.25
ALL AMERICAN ASPHALT Total Check Amount:						\$500,689.28
176159	AMERICAN INTEGRATED SERVICES INC	10/06/2017	25207	510707873	TRACKS S4 #1 AUG17	\$1,326,273.15
AMERICAN INTEGRATED SERVICES INC Total Check Amount:						\$1,326,273.15
176160	ANAHEIM REG MED CENTER AHMC	10/06/2017	21180	110212121	EMERGENCY ROOM CHGS	\$750.00
ANAHEIM REG MED CENTER AHMC Total Check Amount:						\$750.00
176161	AT&T CALNET	10/06/2017	20391	110141471	9391011968 9/22	\$20.88
AT&T CALNET Total Check Amount:						\$20.88
176162	AMALIA BARCELO-HUIZAR	10/06/2017	26727	110000000	PHOTO REQUEST REFUND	\$25.00
AMALIA BARCELO-HUIZAR Total Check Amount:						\$25.00
176163	CINTAS FAS	10/06/2017	24347	110404211	BCC FIRST AID	\$101.07
CINTAS FAS Total Check Amount:						\$101.07
176164	CITY OF BREA - WATER DEPT	10/06/2017	2039	341515112	WATER 8/9-9/7	\$2,868.89
		10/06/2017	2039	343515112	WATER 8/9-9/7	\$1,931.64
		10/06/2017	2039	345515112	WATER 8/9-9/7	\$3,953.21
		10/06/2017	2039	346515112	WATER 8/9-9/7	\$12,339.52
		10/06/2017	2039	347515112	WATER 8/9-9/7	\$856.62
		10/06/2017	2039	880515113	WATER 8/9-9/7	\$56.06
CITY OF BREA - WATER DEPT Total Check Amount:						\$22,005.94
176165	CLEAR CAPTIONS	10/06/2017	27109	110	RFD:WELLNESS FESTIVAL	\$150.00
CLEAR CAPTIONS Total Check Amount:						\$150.00
176166	CLEAR CHANNEL OUTDOOR	10/06/2017	26465	110404544	BREA FEST AD	\$81.75
CLEAR CHANNEL OUTDOOR Total Check Amount:						\$81.75
176167	COMMUNITY BANK	10/06/2017	22145	510707318	ESCROW#14917074 AUG17	\$14,535.75
COMMUNITY BANK Total Check Amount:						\$14,535.75
176168	CORE & MAIN LP	10/06/2017	27049	420515131	ENCODER	\$2,289.16
		10/06/2017	27049	420515131	METER	\$4,888.41
CORE & MAIN LP Total Check Amount:						\$7,177.57
176169	COUNTY OF ORANGE	10/06/2017	19283	290000000	CDBG PROG INC 2017 Q3	\$59,142.01
COUNTY OF ORANGE Total Check Amount:						\$59,142.01
176170	COUNTY OF ORANGE	10/06/2017	4799	172212133	NEXT GEN PROJ 17/18	\$495,622.00
COUNTY OF ORANGE Total Check Amount:						\$495,622.00
176171	DELTA DENTAL INSURANCE COMPANY	10/06/2017	26074	110	05-R103125 DENTAL OCT	\$1,526.99
DELTA DENTAL INSURANCE COMPANY Total Check Amount:						\$1,526.99
176172	APRIL DUCKETT	10/06/2017	27107	110	REFUND:TINY TOTS	\$160.05
APRIL DUCKETT Total Check Amount:						\$160.05

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
176173	EDISON CO	10/06/2017	3343	110515121	ELECTRICITY AUG/SEP17	\$1,029.68
		10/06/2017	3343	110515125	ELECTRICITY AUG/SEP17	\$5,830.36
		10/06/2017	3343	420515131	ELECTRICITY AUG/SEP17	\$32,100.00
EDISON CO						Total Check Amount:
						\$38,960.04
176174	ERIC W. GRUVER PHD	10/06/2017	7856	110141481	PRE EMPLOYMENT EVAL	\$425.00
		10/06/2017	7856	110141481	PRE-EMPLOYMENT EVAL	\$575.00
ERIC W. GRUVER PHD						Total Check Amount:
						\$1,000.00
176175	FRANCHISE TAX BOARD	10/06/2017	13287	110	CD-9120-02824 092917	\$195.39
FRANCHISE TAX BOARD						Total Check Amount:
						\$195.39
176176	FRONTIER COMMUNICATIONS	10/06/2017	26183	475141471	5621820146 9/16-10/15	\$44.14
FRONTIER COMMUNICATIONS						Total Check Amount:
						\$44.14
176177	GOLDEN BELL PRODUCTS, INC	10/06/2017	1411	430515123	ROACH CONTROL SPRAY	\$2,960.00
GOLDEN BELL PRODUCTS, INC						Total Check Amount:
						\$2,960.00
176178	ALONZO GRAHAM	10/06/2017	27108	110	RENTAL DEPOSIT REFUND	\$700.00
ALONZO GRAHAM						Total Check Amount:
						\$700.00
176179	INTELLI-TECH	10/06/2017	8774	475141471	SPAM FIREWALL 1YR UPD	\$1,264.00
INTELLI-TECH						Total Check Amount:
						\$1,264.00
176180	KABBARA ENGINEERING	10/06/2017	23694	510707310	CNTRL/TMRCK 8/16-9/28	\$6,250.00
KABBARA ENGINEERING						Total Check Amount:
						\$6,250.00
176181	LIMBACH COMPANY LP	10/06/2017	21671	490515151	HVAC REPAIR @ CCC	\$884.00
LIMBACH COMPANY LP						Total Check Amount:
						\$884.00
176182	MOBILE HOME IMPROVEMENT	10/06/2017	19526	290323215	CDBG:1235 HRBR LAKE	\$7,030.00
MOBILE HOME IMPROVEMENT						Total Check Amount:
						\$7,030.00
176183	OFFICE DEPOT, INC	10/06/2017	4743	110141481	OFFICE SUPPLIES	\$8.09
OFFICE DEPOT, INC						Total Check Amount:
						\$8.09
176184	ORANGE COUNTY BUSINESS JOURNAL	10/06/2017	18203	110323212	17/18 SUBSCRIPTION	\$99.00
ORANGE COUNTY BUSINESS JOURNAL						Total Check Amount:
						\$99.00
176185	ORANGE COUNTY SHERIFF'S DEPT	10/06/2017	6542	110212111	FTO UPDATE TRAINING	\$55.00
ORANGE COUNTY SHERIFF'S DEPT						Total Check Amount:
						\$55.00
176186	OVERLAND PACIFIC & CUTLER, INC.	10/06/2017	15409	510707310	CENTRL/TAMARACK AUG17	\$1,102.50
		10/06/2017	15409	510707922	SLOPE RESTORATN AUG17	\$960.00
OVERLAND PACIFIC & CUTLER, INC.						Total Check Amount:
						\$2,062.50
176187	CHANDNI PATEL	10/06/2017	27111	110	RENTAL DEPOSIT REFUND	\$1,000.00
CHANDNI PATEL						Total Check Amount:
						\$1,000.00
176188	PLUMBING WHOLESALE OUTLET, INC.	10/06/2017	18392	181404250	HANDS-FREE LAV FAUCET	\$1,754.39
PLUMBING WHOLESALE OUTLET, INC.						Total Check Amount:
						\$1,754.39
176189	POSTY CARDS	10/06/2017	26646	110141481	EMPLOYEE AWARDS CARDS	\$86.74
POSTY CARDS						Total Check Amount:
						\$86.74
176190	PRIME SYSTEMS INDUSTRIAL AUTOMATION	10/06/2017	27059	420515131	ELECTRICAL	\$1,042.17

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176190	PRIME SYSTEMS INDUSTRIAL AUTOMATION	10/06/2017	27059	420515131	REWIRED CONTROL PANEL	\$2,525.08
PRIME SYSTEMS INDUSTRIAL AUTOMATION					Total Check Amount:	\$3,567.25
176191	SAM'S CLUB DIRECT	10/06/2017	10123	110141441	COFFEE SUPPLIES	\$168.78
SAM'S CLUB DIRECT					Total Check Amount:	\$168.78
176192	SOUTH COAST LIGHTING & DESIGN	10/06/2017	16831	110515121	LT FXTURS:CENTEX TRCT	\$404.06
SOUTH COAST LIGHTING & DESIGN					Total Check Amount:	\$404.06
176193	SPARKLETTS	10/06/2017	3001	490515151	091517 FOUNTAIN WATER	\$21.71
SPARKLETTS					Total Check Amount:	\$21.71
176194	SPRINT	10/06/2017	16067	475141471	24090170000843 082417	\$578.94
		10/06/2017	16067	475141471	24090170000843 092417	\$578.94
SPRINT					Total Check Amount:	\$1,157.88
176195	TURNOUT MAINTENANCE COMPANY, LLC	10/06/2017	19898	110222221	TURNOUT COAT MAINT	\$231.02
TURNOUT MAINTENANCE COMPANY, LLC					Total Check Amount:	\$231.02
176196	URBAN GRAFFITI ENTERPRISES INC.	10/06/2017	4352	110515121	GRAFFTI REMOVAL JUL17	\$2,000.00
URBAN GRAFFITI ENTERPRISES INC.					Total Check Amount:	\$2,000.00
176197	VERIZON WIRELESS	10/06/2017	21122	110111111	9793198959 8/23-9/22	\$53.74
		10/06/2017	21122	110111143	9793198959 8/23-9/22	\$91.75
		10/06/2017	21122	110111151	9793198959 8/23-9/22	\$145.49
		10/06/2017	21122	110111161	9793198959 8/23-9/22	\$53.74
		10/06/2017	21122	110141411	9793198959 8/23-9/22	\$38.01
		10/06/2017	21122	110141441	9793198959 8/23-9/22	\$53.74
		10/06/2017	21122	110141471	9793198959 8/23-9/22	\$436.10
		10/06/2017	21122	110141481	9793198959 8/23-9/22	\$53.74
		10/06/2017	21122	110212121	9793198959 8/23-9/22	\$3,788.94
		10/06/2017	21122	110222222	9793198959 8/23-9/22	\$418.11
		10/06/2017	21122	110222223	9793198959 8/23-9/22	\$1,421.47
		10/06/2017	21122	110323212	9793198959 8/23-9/22	\$53.74
		10/06/2017	21122	110323231	9793198959 8/23-9/22	\$52.77
		10/06/2017	21122	110323241	9793198959 8/23-9/22	\$56.20
		10/06/2017	21122	110323242	9793198959 8/23-9/22	\$93.82
		10/06/2017	21122	110323243	9793198959 8/23-9/22	\$91.75
		10/06/2017	21122	110404311	9793198959 8/23-9/22	\$580.35
		10/06/2017	21122	110404525	9793198959 8/23-9/22	\$17.80
		10/06/2017	21122	460141474	9793198959 8/23-9/22	\$547.40
		10/06/2017	21122	475141471	9793198959 8/23-9/22	\$192.47
		10/06/2017	21122	630323219	9793198959 8/23-9/22	\$53.74
VERIZON WIRELESS					Total Check Amount:	\$8,294.87

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
176198	VILLAGE NURSERIES	10/06/2017	7110	110515125	REVERSE STOP PYMT FEE	\$12.00
VILLAGE NURSERIES					Total Check Amount:	\$12.00
					Check Subtotal	\$2,509,140.40
V25933	ADAMSON POLICE PRODUCTS	10/06/2017	4023	110212131	HOLSTERS	\$290.89
ADAMSON POLICE PRODUCTS					Total Check Amount:	\$290.89
V25934	AFLAC-ACCOUNT #EZA73	10/06/2017	22923	110	ACC/CANCER INS SEP17	\$5,812.60
AFLAC-ACCOUNT #EZA73					Total Check Amount:	\$5,812.60
V25935	AKAL CONSULTANTS	10/06/2017	19771	510707318	LAMBERT/KRAMER REHAB	\$900.00
		10/06/2017	19771	510707873	TRCKS S4:CALTRANS PKG	\$7,000.00
AKAL CONSULTANTS					Total Check Amount:	\$7,900.00
V25936	ALBERT GROVER & ASSOCIATES	10/06/2017	23588	510707709	BIRCH ST RTSSP AUG17	\$3,315.00
ALBERT GROVER & ASSOCIATES					Total Check Amount:	\$3,315.00
V25937	ALL CITY MANAGEMENT SERVS INC	10/06/2017	6604	110212132	CRSNG GRDS 8/27-9/9	\$2,457.00
ALL CITY MANAGEMENT SERVS INC					Total Check Amount:	\$2,457.00
V25938	BAXTER'S FRAME WORKS & BADGE FRAME	10/06/2017	24424	110212131	ENGRAVED NAME PLATES	\$62.50
BAXTER'S FRAME WORKS & BADGE FRAME					Total Check Amount:	\$62.50
V25939	BPSEA MEMORIAL FOUNDATION	10/06/2017	14990	110	DED:4050 MEMORIAL	\$239.50
BPSEA MEMORIAL FOUNDATION					Total Check Amount:	\$239.50
V25940	BREA CITY EMPLOYEES ASSOCIATION	10/06/2017	3236	110	DED:4005 BCEA DUES	\$650.00
BREA CITY EMPLOYEES ASSOCIATION					Total Check Amount:	\$650.00
V25941	SHANNON BUCKELS	10/06/2017	12046	110212111	HUMAN TRAFFICKNG TRNG	\$39.54
SHANNON BUCKELS					Total Check Amount:	\$39.54
V25942	C.WELLS PIPELINE MATERIALS INC	10/06/2017	13055	420515131	PLUMBING SUPPLIES	\$601.01
C.WELLS PIPELINE MATERIALS INC					Total Check Amount:	\$601.01
V25943	CEOL PRODUCTIONS LLC	10/06/2017	27106	110404542	DEP:IRISH CHRISTMAS	\$1,000.00
CEOL PRODUCTIONS LLC					Total Check Amount:	\$1,000.00
V25944	CIGNA BEHAVIORAL HEALTH, INC.	10/06/2017	26628	110141481	EAP SVCS OCT 2017:492	\$1,175.88
CIGNA BEHAVIORAL HEALTH, INC.					Total Check Amount:	\$1,175.88
V25945	CIVILSOURCE INC	10/06/2017	22210	510707873	TRACKS @BREA S6 AUG17	\$18,096.00
		10/06/2017	22210	510707873	TRACKS @BREA S6 JUL17	\$18,792.00
CIVILSOURCE INC					Total Check Amount:	\$36,888.00
V25946	COLONIAL LIFE PROCESSING CENTER	10/06/2017	26071	110	E4504064 CRIT ILL SEP	\$76.34
		10/06/2017	26071	110	E4504064 ST DISAB SEP	\$1,356.52
COLONIAL LIFE PROCESSING CENTER					Total Check Amount:	\$1,432.86
V25947	COMLOCK SECURITY-GROUP	10/06/2017	13625	110212131	KEYS	\$10.18
		10/06/2017	13625	110212131	TRFC SGNL PANEL KEYS	\$68.69
COMLOCK SECURITY-GROUP					Total Check Amount:	\$78.87
V25948	DANGELO CO	10/06/2017	4562	420515131	GASKETS	\$250.63

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DANGELO CO						Total Check Amount: \$250.63
V25949	DELTA DENTAL PLAN OF CALIFORNIA	10/06/2017	3411	110	05-04253 DENTAL OCT17	\$18,562.29
DELTA DENTAL PLAN OF CALIFORNIA						Total Check Amount: \$18,562.29
V25950	DF POLYGRAPH	10/06/2017	22010	110141481	POLYGRAPH EXAM 8/29	\$175.00
DF POLYGRAPH						Total Check Amount: \$175.00
V25951	DUALGRAPHICS	10/06/2017	14494	110111151	BL ROUTE SLPS:SEP/OCT	\$227.00
		10/06/2017	14494	110111151	SEPT/OCT17 BREA LINE	\$8,106.00
DUALGRAPHICS						Total Check Amount: \$8,333.00
V25952	EQUIPMENT DIRECT INC	10/06/2017	4522	110515121	4X SAFETY VEST	\$35.56
		10/06/2017	4522	110515121	EARPLUGS	\$119.00
		10/06/2017	4522	110515121	SAFETY GLOVES	\$104.95
		10/06/2017	4522	110515121	SAFETY VEST	\$41.10
		10/06/2017	4522	110515121	SPRAY SUITS	\$121.81
		10/06/2017	4522	420515131	HIP WADER BOOTS	\$82.69
EQUIPMENT DIRECT INC						Total Check Amount: \$505.11
V25953	EXTERMINETICS OF SO CALIF INC	10/06/2017	3298	110515125	PEST CONTROL SERVICES	\$480.00
		10/06/2017	3298	110515141	PEST CONTROL SERVICES	\$360.00
		10/06/2017	3298	420515131	PEST CONTROL SERVICES	\$200.00
		10/06/2017	3298	490515151	PEST CONTROL SERVICES	\$2,230.00
EXTERMINETICS OF SO CALIF INC						Total Check Amount: \$3,270.00
V25954	FIREFIGHTERS SAFETY CENTER	10/06/2017	18485	110222221	BOOTS	\$591.28
FIREFIGHTERS SAFETY CENTER						Total Check Amount: \$591.28
V25955	JESSE GARDUNA	10/06/2017	16006	110212111	FTO UPDATE TRAINING	\$28.25
JESSE GARDUNA						Total Check Amount: \$28.25
V25956	THE GARLAND COMPANY	10/06/2017	18924	510	ROOFING MATERIAL	(\$1,679.01)
		10/06/2017	18924	510707928	ROOFING MATERIAL	\$24,843.67
THE GARLAND COMPANY						Total Check Amount: \$23,164.66
V25957	GENERAL PUMP COMPANY	10/06/2017	16281	420515131	ELECTRICAL	\$186.00
		10/06/2017	16281	420515131	INSTALLED NEW MOTOR SAVER	\$2,108.67
		10/06/2017	16281	420515131	MOTOR SAVER	\$1,240.00
GENERAL PUMP COMPANY						Total Check Amount: \$3,534.67
V25958	DON GOLDEN	10/06/2017	10729	110000000	INSP SVCS 9/14-9/27/1	\$6,895.03
		10/06/2017	10729	110323242	INSP SVCS 9/14-9/27	\$766.12
		10/06/2017	10729	510707903	INSP SVCS 9/14-9/27/1	\$328.34
DON GOLDEN						Total Check Amount: \$7,989.49
V25959	GRIFFIN STRUCTURES, INC.	10/06/2017	18352	510707903	SPRBLK CONS MGT AUG17	\$18,930.00
GRIFFIN STRUCTURES, INC.						Total Check Amount: \$18,930.00
V25960	DWAYNE HARPER	10/06/2017	26125	460141474	MILEAGE:AUG 2017	\$193.14

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
DWAYNE HARPER						Total Check Amount: \$193.14
V25961	HITECH SOFTWARE INC	10/06/2017	19937	110515125	CAR COUNT MAINT AUG17	\$920.00
		10/06/2017	19937	110515125	CAR COUNT MAINT SEP17	\$920.00
HITECH SOFTWARE INC						Total Check Amount: \$1,840.00
V25962	JAMISON ENGINEERING CONTRACTORS, INC	10/06/2017	15812	430515123	BRIARWOOD PMP STN RPR	\$1,804.00
JAMISON ENGINEERING CONTRACTORS, INC						Total Check Amount: \$1,804.00
V25963	MAHNAZ KOHSARI	10/06/2017	12368	110141471	MILEAGE:AUG 2017	\$2.16
MAHNAZ KOHSARI						Total Check Amount: \$2.16
V25964	KOURY GEOTECHNICAL SERVICES, INC.	10/06/2017	22200	510707318	LMBRT/KRMR GEOTECH 1	\$954.20
		10/06/2017	22200	510707318	LMBRT/KRMR GEOTECH 2	\$1,491.60
		10/06/2017	22200	510707873	BREA TRACKS S6 JUL17	\$509.65
		10/06/2017	22200	510707873	BREA TRCKS S6 JUN/JUL	\$3,654.28
KOURY GEOTECHNICAL SERVICES, INC.						Total Check Amount: \$6,609.73
V25965	LOS ANGELES ENGINEERING, INC.	10/06/2017	26670	510707873	TRACKS @BREA S6 SEP17	\$103,502.98
		10/06/2017	26670	510707873	TRCKS S6 PP6 AUG17 SP	(\$107,145.50)
		10/06/2017	26670	510707873	V25835 9/22 PP6 TO PO	\$107,145.50
LOS ANGELES ENGINEERING, INC.						Total Check Amount: \$103,502.98
V25966	LUCAS BUILDERS, INC.	10/06/2017	26671	510707873	TRACKS S2/S3 RR AUG17	\$311,189.60
		10/06/2017	26671	510707873	TRACKS S2/S3 RR JUL17	\$128,823.94
		10/06/2017	26671	510707929	LAGOS DE MORENO AUG17	\$320,767.50
LUCAS BUILDERS, INC.						Total Check Amount: \$760,781.04
V25967	RYAN MCDUFFY	10/06/2017	25627	110212111	CAVANAUGH CLASS-DUI	\$29.92
RYAN MCDUFFY						Total Check Amount: \$29.92
V25968	WILLIAM MONTALVO	10/06/2017	12387	110212111	IMPAIRD DRVG ENF TRNG	\$26.38
WILLIAM MONTALVO						Total Check Amount: \$26.38
V25969	MTGL, INC.	10/06/2017	26279	510707929	LDM GEOTECH ENG AUG17	\$3,970.50
MTGL, INC.						Total Check Amount: \$3,970.50
V25970	MYERS AND SONS	10/06/2017	21624	110515121	GRAFFITI OVERLAY	\$314.10
		10/06/2017	21624	110515121	LAUREL SCH TFC CONTRL	\$2,594.62
		10/06/2017	21624	110515121	'NO STOPPING' SIGN	\$26.40
MYERS AND SONS						Total Check Amount: \$2,935.12
V25971	MIGUEL OJEDA	10/06/2017	25161	110212111	IMPAIRD DRVG ENF TRNG	\$26.38
MIGUEL OJEDA						Total Check Amount: \$26.38
V25972	ORANGE COUNTY UNITED WAY	10/06/2017	3451	110	DED:5005 UNITED WAY	\$47.40
ORANGE COUNTY UNITED WAY						Total Check Amount: \$47.40
V25973	PLACEWORKS, INC.	10/06/2017	26720	110000000	SITE ANALYSIS	\$1,517.77
PLACEWORKS, INC.						Total Check Amount: \$1,517.77
V25974	RICHARDS, WATSON & GERSHON	10/06/2017	8978	110000000	0001 GEN LGL SVSC JUL	\$485.00

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V25974	RICHARDS, WATSON & GERSHON	10/06/2017	8978	110000000	9999 GEN LGL SVCS JUL	\$400.00
		10/06/2017	8978	110111112	0001 GEN LGL SVSC JUL	\$9,445.14
		10/06/2017	8978	110111112	9999 GEN LGL SVCS JUL	\$5,724.00
		10/06/2017	8978	110141481	0001 GEN LGL SVSC JUL	\$239.98
		10/06/2017	8978	280323215	0001 GEN LGL SVSC JUL	\$171.00
		10/06/2017	8978	410515132	162 STA ANA MSA/NPDES	\$83.15
		10/06/2017	8978	470141483	0169 SO CAL GAS AUG17	\$1,440.50
		10/06/2017	8978	510707251	0145 57/LAMBERT AUG17	\$3,148.18
		10/06/2017	8978	510707903	0001 GEN LGL SVSC JUL	\$760.00
		10/06/2017	8978	510707945	0001 GEN LGL SVSC JUL	\$76.00
		10/06/2017	8978	510707945	9999 GEN LGL SVCS JUL	\$528.00
		10/06/2017	8978	630323219	0001 GEN LGL SVSC JUL	\$532.00
RICHARDS, WATSON & GERSHON					Total Check Amount:	\$23,032.95
V25975	RSG, INC.	10/06/2017	26650	280323215	AFF HSG MONTRNG AUG17	\$5,180.00
		10/06/2017	26650	280323215	AFF HSG MONTRNG FEB17	\$1,027.50
		10/06/2017	26650	280323215	TFR CHGS TO PO-68224	(\$1,027.50)
RSG, INC.					Total Check Amount:	\$5,180.00
V25976	SITEONE LANDSCAPE SUPPLY, LLC	10/06/2017	25942	110515125	IRRIGATION PLANTER P1	\$226.42
SITEONE LANDSCAPE SUPPLY, LLC					Total Check Amount:	\$226.42
V25977	SPECTRUM GAS PRODUCTS, INC.	10/06/2017	16060	110222222	OXYGEN	\$46.20
SPECTRUM GAS PRODUCTS, INC.					Total Check Amount:	\$46.20
V25978	STAGELIGHT PERFORMING ARTS	10/06/2017	25172	110404145	IMPROV ACTING	\$30.00
STAGELIGHT PERFORMING ARTS					Total Check Amount:	\$30.00
V25979	TENNIS ANYONE ACADEMY	10/06/2017	12688	110404145	TENNIS LESSONS	\$1,968.00
TENNIS ANYONE ACADEMY					Total Check Amount:	\$1,968.00
V25980	TROPICAL PLAZA NURSERY, INC	10/06/2017	2062	110515121	CLR ROSE DR RT-OF-WAY	\$2,900.00
		10/06/2017	2062	343515112	DISTRICT 3 AUG 2017	\$1,925.98
TROPICAL PLAZA NURSERY, INC					Total Check Amount:	\$4,825.98
V25981	VORTEX	10/06/2017	15007	490515151	ADA GLASS DOOR UPGRADE	\$2,782.22
VORTEX					Total Check Amount:	\$2,782.22
V25982	GREGORY WALTERS	10/06/2017	11903	475141471	SPILLMAN USER CONF	\$252.04
GREGORY WALTERS					Total Check Amount:	\$252.04
V25983	WEST COAST ARBORISTS, INC.	10/06/2017	1556	110515142	TREE TRIMMING	\$2,840.67
		10/06/2017	1556	345515112	TREE TRIMMING	\$800.04
WEST COAST ARBORISTS, INC.					Total Check Amount:	\$3,640.71
V25984	WILLDAN ENGINEERING	10/06/2017	12445	110000000	PLN CHK:MISC PW PRMTS	\$819.50
		10/06/2017	12445	110515171	C CYN/ENCRCHMNT PRMIT	\$5,331.50
		10/06/2017	12445	110515171	PLN CHK:MISC PW PRMTS	\$1,117.50

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V25984	WILLDAN ENGINEERING	10/06/2017	12445	510707219	C CYN/ENCRCHMNT PRMIT	\$659.98
		10/06/2017	12445	510707310	CENTRAL/TAMARACK 8/25	\$20,027.50
WILLDAN ENGINEERING					Total Check Amount:	\$27,955.98
V25985	ZUMAR INDUSTRIES, INC.	10/06/2017	3802	110141481	SVC AWARD PLACARDS	\$484.10
		10/06/2017	3802	510707703	VESUVIUS TRCT ST SGNS	\$1,082.89
ZUMAR INDUSTRIES, INC.					Total Check Amount:	\$1,566.99
Voucher Subtotal						\$1,102,072.04
TOTAL						\$3,611,212.44

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
176199	1ST JON, INC.	10/13/2017	19192	410515132	RR/SINK:ENV CLEANUP	\$266.22
1ST JON, INC.					Total Check Amount:	\$266.22
176200	ANAHEIM FULLERTON TOWING CO.	10/13/2017	1691	480515161	23012 TOW TO CITY YRD	\$300.00
		10/13/2017	1691	480515161	23012 TOW:BAB HYDR LCS	\$450.00
		10/13/2017	1691	480515161	23014 TOW TO VALLEY	\$375.00
		10/13/2017	1691	480515161	27008 TOW TO SO COAST	\$450.00
		10/13/2017	1691	480515161	27008 TOW:CITY YARD	\$350.00
ANAHEIM FULLERTON TOWING CO.					Total Check Amount:	\$1,925.00
176201	ARROW INTERNATIONAL, INC.	10/13/2017	25320	110222222	PARAMEDIC SUPPLIES	\$592.63
ARROW INTERNATIONAL, INC.					Total Check Amount:	\$592.63
176202	ASBURY ENVIRONMENTAL SERVICES	10/13/2017	9144	480515161	CLEAN OUT CLARIFIERS	\$1,833.96
		10/13/2017	9144	480515161	USED FILTER DISPOSAL	\$55.00
		10/13/2017	9144	480515161	USED OIL DISPOSAL	\$120.00
ASBURY ENVIRONMENTAL SERVICES					Total Check Amount:	\$2,008.96
176203	AT&T CALNET	10/13/2017	20391	110141471	9391011961 9/28	\$230.18
		10/13/2017	20391	110141471	9391011963 9/28	\$20.35
		10/13/2017	20391	110141471	9391011965 9/28	\$40.03
		10/13/2017	20391	110141471	9391011966 9/28	\$57.20
		10/13/2017	20391	110141471	9391011971 9/28	\$38.77
		10/13/2017	20391	110141471	9391011972 9/28	\$139.50
		10/13/2017	20391	110141471	9391011973 9/28	\$40.74
		10/13/2017	20391	110141471	9391011975 9/28	\$3,535.68
		10/13/2017	20391	110141471	9391011976 9/28	\$903.38
		10/13/2017	20391	110141471	9391011978 9/28	\$780.68
		10/13/2017	20391	110141471	9391011979 9/28	\$83.01
		10/13/2017	20391	110141471	9391023157 9/28	\$20.34
		10/13/2017	20391	110141471	9391023158 9/28	\$36.13
		10/13/2017	20391	110141471	9391023159 9/28	\$21.53
		10/13/2017	20391	110141471	9391032589 9/28	\$0.01
		10/13/2017	20391	110141471	9391052504 9/28	\$274.14
		10/13/2017	20391	110141471	9391052507 9/28	\$274.14
		10/13/2017	20391	110141471	9391057787 9/28	\$359.45
		10/13/2017	20391	110141471	9391060716 9/28	\$85.16
		10/13/2017	20391	420515131	9391011964 9/28	\$38.77
		10/13/2017	20391	420515131	9391011967 9/28	\$0.35
		10/13/2017	20391	420515131	9391011977 9/28	\$635.40
AT&T CALNET					Total Check Amount:	\$7,614.94
176205	BUSINESS CARD	10/13/2017	18749	110	BSCARD CS 092317	(\$10.59)

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
176205	BUSINESS CARD	10/13/2017	18749	110	BSCARD PD ADM 082317	(\$27.79)
		10/13/2017	18749	110	BSCARD PD ADM 092317	(\$38.72)
		10/13/2017	18749	110	BSCARD PD INV 092317	(\$28.83)
		10/13/2017	18749	110	REV 0723 BC FEE CSIII	(\$33.00)
		10/13/2017	18749	110	REV 0723 BC FEE FIRE	(\$29.00)
		10/13/2017	18749	110141481	BSCARD HR 092317	\$11.38
		10/13/2017	18749	110212111	BS CARD PD ADM 092317	\$1,572.26
		10/13/2017	18749	110212111	BSCARD PD ADM 092317	\$22.25
		10/13/2017	18749	110212111	BSCARD PD INV 092317	\$427.84
		10/13/2017	18749	110212111	BSCARD PD TRNG 092317	\$1,241.00
		10/13/2017	18749	110212121	BSCARD PD INV 092317	\$907.05
		10/13/2017	18749	110212131	BSCARD PD ADM 092317	\$9,333.21
		10/13/2017	18749	110212131	BSCARD PD INV 092317	\$2,635.78
		10/13/2017	18749	110212134	BSCARD PD ADM 082317	\$27.79
		10/13/2017	18749	110222231	BSCARD FIRE 082317	\$20.00
		10/13/2017	18749	110222231	BSCARD FIRE 092317	\$90.00
		10/13/2017	18749	110404213	BSCARD CS 092317	\$2,200.00
		10/13/2017	18749	110404425	BSCARD CS II 092317	\$37.27
		10/13/2017	18749	110404429	BSCARD CS 092317	\$1,092.03
		10/13/2017	18749	110404521	BSCARD CS III 082317	\$88.55
		10/13/2017	18749	110515141	BSCARD PARKS 092317	\$547.87
		10/13/2017	18749	420515131	BSCARD WATER 092317	\$337.53
		10/13/2017	18749	950000000	ILJAOC BSCARD MJ 0917	\$789.37
BUSINESS CARD					Total Check Amount:	\$21,213.25
176206	BUTLER CHEMICALS, INC.	10/13/2017	6515	490515151	DW SVC SR CTR AUG17	\$167.01
BUTLER CHEMICALS, INC.					Total Check Amount:	\$167.01
176207	CALIFORNIA DENTAL NETWORK INC.	10/13/2017	15634	110	DENTAL NOV 2017	\$246.25
		10/13/2017	15634	110141481	DENTAL ADM NOV 2017	\$10.00
CALIFORNIA DENTAL NETWORK INC.					Total Check Amount:	\$256.25
176208	CALIFORNIA FORENSIC PHLEBOTOMY INC.	10/13/2017	4488	110212131	BLOOD TESTS SEPT 2017	\$3,317.00
CALIFORNIA FORENSIC PHLEBOTOMY INC.					Total Check Amount:	\$3,317.00
176209	CALIFORNIA YELLOW CAB	10/13/2017	24712	110404525	SR CTR TAXI RIDES AUG	\$61.00
CALIFORNIA YELLOW CAB					Total Check Amount:	\$61.00
176210	CANNINGS ACE HARDWARE	10/13/2017	15828	420515131	O-RINGS:FIRE HYDRANTS	\$3.83
		10/13/2017	15828	480515161	SHOP SUPPLIES	\$43.28
CANNINGS ACE HARDWARE					Total Check Amount:	\$47.11
176211	CHARLES TAN & ASSOCIATES, INC.	10/13/2017	26706	110000000	PROF SVCS THRU 4/1/17	\$800.00
CHARLES TAN & ASSOCIATES, INC.					Total Check Amount:	\$800.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
176212	CHEVRON	10/13/2017	17466	420000000	CLOSED WATER ACCOUNT	\$185.58
CHEVRON					Total Check Amount:	\$185.58
176213	COUNTY OF ORANGE	10/13/2017	4799	110212122	FINGERPRINT ID JUL18	\$5,149.50
		10/13/2017	4799	110212122	FINGERPRINT ID OCT17	\$5,149.50
COUNTY OF ORANGE					Total Check Amount:	\$10,299.00
176214	COUNTY OF ORANGE	10/13/2017	4799	110212122	PRKNG CITATIONS AUG17	\$13,918.00
COUNTY OF ORANGE					Total Check Amount:	\$13,918.00
176215	COUNTY OF ORANGE	10/13/2017	4799	110212122	OCATS/SWITCHER SEPT17	\$653.00
COUNTY OF ORANGE					Total Check Amount:	\$653.00
176216	EDISON CO	10/13/2017	3343	110515121	ELECTRICITY SEP/OCT17	\$12,779.70
		10/13/2017	3343	110515141	ELECTRICITY SEP/OCT17	\$2,243.67
		10/13/2017	3343	110515143	ELECTRICITY SEP/OCT17	\$763.93
		10/13/2017	3343	110515144	ELECTRICITY SEP/OCT17	\$1,954.05
		10/13/2017	3343	341515112	ELECTRICITY SEP/OCT17	\$186.46
		10/13/2017	3343	343515112	ELECTRICITY SEP/OCT17	\$173.56
		10/13/2017	3343	345515112	ELECTRICITY SEP/OCT17	\$102.53
		10/13/2017	3343	346515112	ELECTRICITY SEP/OCT17	\$359.16
		10/13/2017	3343	360515145	ELECTRICITY SEP/OCT17	\$826.78
		10/13/2017	3343	430515123	ELECTRICITY SEP/OCT17	\$31.91
		10/13/2017	3343	490515151	ELECTRICITY SEP/OCT17	\$9,032.64
		10/13/2017	3343	880515113	ELECTRICITY SEP/OCT17	\$26.03
EDISON CO					Total Check Amount:	\$28,480.42
176217	FLEETPRIDE, INC.	10/13/2017	8245	480515161	TRUCK BRAKE PADS	\$424.89
FLEETPRIDE, INC.					Total Check Amount:	\$424.89
176218	FRONTIER COMMUNICATIONS	10/13/2017	26183	420515131	562 1821220 0928-1027	\$188.47
FRONTIER COMMUNICATIONS					Total Check Amount:	\$188.47
176219	THE GAS COMPANY	10/13/2017	3749	420515131	GAS SEP/OCT 2017	\$14.59
THE GAS COMPANY					Total Check Amount:	\$14.59
176220	GATEWAY AUTO SPA	10/13/2017	19220	480515161	CARWASH TICKETS (310)	\$2,945.00
GATEWAY AUTO SPA					Total Check Amount:	\$2,945.00
176221	SEYED GOLSHAN-KHALILI	10/13/2017	27040	420000000	CLOSED WATER ACCOUNT	\$600.00
SEYED GOLSHAN-KHALILI					Total Check Amount:	\$600.00
176222	IBM CORPORATION	10/13/2017	24540	950000000	ILJAOC COPLNK JUL-SEP	\$31,075.39
IBM CORPORATION					Total Check Amount:	\$31,075.39
176223	IMPERIAL BUILDING MATERIALS	10/13/2017	18557	110515144	FIELD SAND	\$56.29
IMPERIAL BUILDING MATERIALS					Total Check Amount:	\$56.29
176224	JART DIRECT MAIL SERVICES	10/13/2017	8634	110404541	WW POST CARD MAILING	\$888.85
JART DIRECT MAIL SERVICES					Total Check Amount:	\$888.85
176225	KWIK KLEEN	10/13/2017	23771	480515161	PARTS WASHER SERVICE	\$150.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
KWIK KLEEN						Total Check Amount: \$150.00
176226	LAKEMAN CHASSIS	10/13/2017	12885	480515161	WELD HITCH COUPLER	\$85.00
LAKEMAN CHASSIS						Total Check Amount: \$85.00
176227	LIFE-ASSIST, INC.	10/13/2017	10530	110222222	MEDICAL SUPPLIES	\$890.15
LIFE-ASSIST, INC.						Total Check Amount: \$890.15
176228	LINEN X PRESS, INC.	10/13/2017	4592	110404215	LINEN;WELLNESS FAIR	\$379.73
LINEN X PRESS, INC.						Total Check Amount: \$379.73
176229	MODULAR SPACE CORPORATION	10/13/2017	27090	510707929	TRAILER RNTL LDM PARK	\$1,340.40
MODULAR SPACE CORPORATION						Total Check Amount: \$1,340.40
176230	TIFFANY MORRIS	10/13/2017	27102	420000000	CLOSED WATER ACCOUNT	\$77.10
TIFFANY MORRIS						Total Check Amount: \$77.10
176231	NATIONAL AUTO FLEET GROUP	10/13/2017	26939	480515161	2017 FORD TRNST WAGON	\$47,052.15
NATIONAL AUTO FLEET GROUP						Total Check Amount: \$47,052.15
176232	OFFICE DEPOT, INC	10/13/2017	4743	110111151	OFFICE SUPPLIES	\$15.57
		10/13/2017	4743	110111151	TONER	\$180.46
		10/13/2017	4743	110141411	OFFICE SUPPLIES	\$35.35
		10/13/2017	4743	110141414	TABS	\$1.65
		10/13/2017	4743	110212111	OFFICE SUPPLIES	\$179.90
		10/13/2017	4743	110212111	TONER	\$561.29
		10/13/2017	4743	110212121	OFFICE SUPPLIES	\$1.92
		10/13/2017	4743	110222211	OFFICE SUPPLIES	\$10.15
		10/13/2017	4743	110404311	OFFICE SUPPLIES	\$11.41
		10/13/2017	4743	110404420	EVNVELOPES	\$45.78
		10/13/2017	4743	110515111	OFFICE SUPPLIES	\$23.64
		10/13/2017	4743	470141483	OFFICE SUPPLIES	\$54.41
OFFICE DEPOT, INC						Total Check Amount: \$1,121.53
176233	OPENGOV, INC.	10/13/2017	25588	110141411	WEB APPL MNT 17/18	\$9,000.00
OPENGOV, INC.						Total Check Amount: \$9,000.00
176234	PETTY CASH CUSTODIAN	10/13/2017	15768	110	PETTY CASH REPL 9/30	\$104.37
PETTY CASH CUSTODIAN						Total Check Amount: \$104.37
176235	PLUMBING WHOLESALE OUTLET, INC.	10/13/2017	18392	110515144	DRAIN CLEANER	\$37.50
		10/13/2017	18392	110515144	GAUGES	\$23.07
		10/13/2017	18392	110515144	GLOVES	\$16.81
		10/13/2017	18392	490515151	KITCHEN FAUCET @ FS 2	\$131.34
PLUMBING WHOLESALE OUTLET, INC.						Total Check Amount: \$208.72
176236	SHRED-IT USA	10/13/2017	7438	110212122	PD DOC DESTR 8/22/17	\$96.00
		10/13/2017	7438	110212122	PD DOC DESTR 9/5/17	\$96.00
SHRED-IT USA						Total Check Amount: \$192.00
176237	SOUTH COAST AQMD	10/13/2017	10871	480515161	EMISSIONS FEE:BLKSTNE	\$127.46

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
176237	SOUTH COAST AQMD	10/13/2017	10871	480515161	RENWL:BLKSTN PUMP STN	\$378.28
SOUTH COAST AQMD					Total Check Amount:	\$505.74
176238	TOTAL ADMINISTRATIVE SERVICE CORP.	10/13/2017	26329	110141481	SEP17 FLEX ACCT FEES	\$285.00
TOTAL ADMINISTRATIVE SERVICE CORP.					Total Check Amount:	\$285.00
176239	TURNOUT MAINTENANCE COMPANY, LLC	10/13/2017	19898	110222221	TURNOUTS	\$64.65
TURNOUT MAINTENANCE COMPANY, LLC					Total Check Amount:	\$64.65
176240	VETERINARY PET INS. CO.	10/13/2017	20975	110	4436 PET INS SEP 2017	\$329.38
VETERINARY PET INS. CO.					Total Check Amount:	\$329.38
176241	WEST-LITE SUPPLY CO., INC.	10/13/2017	5192	490515152	LED LIGHTS @ DT PS 2	\$2,987.79
WEST-LITE SUPPLY CO., INC.					Total Check Amount:	\$2,987.79
Check Subtotal						\$192,772.56
V25986	ADAMSON POLICE PRODUCTS	10/13/2017	4023	110212131	AMMO/TRAINING KIT	\$2,876.93
ADAMSON POLICE PRODUCTS					Total Check Amount:	\$2,876.93
V25987	JUDY ALLEN	10/13/2017	20447	110404215	CLASS INSTRUCTOR BCC	\$264.00
JUDY ALLEN					Total Check Amount:	\$264.00
V25988	ALTA LANGUAGE SERVICES, INC	10/13/2017	25953	110141481	BILINGUAL EXAM	\$100.00
ALTA LANGUAGE SERVICES, INC					Total Check Amount:	\$100.00
V25989	ALTERNATIVE HOSE, INC.	10/13/2017	18488	480515161	HOSE ASSEMBLY	\$77.62
		10/13/2017	18488	480515161	PRESSURE WASHER HOSE	\$297.25
ALTERNATIVE HOSE, INC.					Total Check Amount:	\$374.87
V25990	AVCOGAS PROPANE SALES & SERVICES	10/13/2017	22047	480515161	PROPANE 399.4 GAL	\$849.90
		10/13/2017	22047	480515161	PROPANE 600 GAL	\$1,273.55
AVCOGAS PROPANE SALES & SERVICES					Total Check Amount:	\$2,123.45
V25991	B & M LAWN AND GARDEN CENTER	10/13/2017	4699	110515141	CHAINSAW CHAPS	\$125.75
		10/13/2017	4699	480515161	CREDIT TO #299250	(\$15.87)
B & M LAWN AND GARDEN CENTER					Total Check Amount:	\$109.88
V25992	BAXTER'S FRAME WORKS & BADGE FRAME	10/13/2017	24424	110212121	ENGRAVED NAME PLATE	\$15.08
		10/13/2017	24424	110212131	ENGRAVED NAME PLATE	\$15.09
BAXTER'S FRAME WORKS & BADGE FRAME					Total Check Amount:	\$30.17
V25993	BEST LAWN MOWER SERVICE	10/13/2017	16230	480515161	CLASSEN BELTS	\$56.27
		10/13/2017	16230	480515161	HONDA AIR FILTER	\$38.94
		10/13/2017	16230	480515161	POWER TRIM WHEEL	\$31.38
		10/13/2017	16230	480515161	STIHL LONG HEDGE TRIMMER	\$476.26
BEST LAWN MOWER SERVICE					Total Check Amount:	\$602.85
V25994	JANET BIRCH	10/13/2017	25982	110404521	YOGA SR CTR	\$100.00
JANET BIRCH					Total Check Amount:	\$100.00
V25995	CHRISTINE BOATNER	10/13/2017	18460	110404215	ADMIN BECKMAN	\$357.00
		10/13/2017	18460	110404215	CLASS INSTRUCTOR BCC	\$325.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
CHRISTINE BOATNER						Total Check Amount: \$682.00
V25996	BREA AUTO SERVICE	10/13/2017	12780	480515161	1008 A/C REPAIR	\$163.43
BREA AUTO SERVICE						Total Check Amount: \$163.43
V25997	BREA DISPOSAL, INC	10/13/2017	3330	440515122	REFUSE COLL SEPT 2017	\$144,252.32
BREA DISPOSAL, INC						Total Check Amount: \$144,252.32
V25998	KATHY A BREAUX	10/13/2017	5320	110404214	MASTERPIECES CLASS	\$138.00
KATHY A BREAUX						Total Check Amount: \$138.00
V25999	C.WELLS PIPELINE MATERIALS INC	10/13/2017	13055	420515131	FIRE HYDRANT GASKET	\$64.65
C.WELLS PIPELINE MATERIALS INC						Total Check Amount: \$64.65
V26000	CALIFORNIA DOMESTIC WATER CO	10/13/2017	3388	420515131	WATER CONS SEPT 2017	\$275,796.24
CALIFORNIA DOMESTIC WATER CO						Total Check Amount: \$275,796.24
V26001	CINTAS CORPORATION #640	10/13/2017	25884	110212131	UNIFORM SVC SEPT 2017	\$85.20
		10/13/2017	25884	110515121	UNIFORM SVC SEPT 2017	\$129.83
		10/13/2017	25884	110515125	UNIFORM SVC SEPT 2017	\$75.00
		10/13/2017	25884	110515141	UNIFORM SVC SEPT 2017	\$438.75
		10/13/2017	25884	110515143	UNIFORM SVC SEPT 2017	\$24.88
		10/13/2017	25884	110515144	UNIFORM SVC SEPT 2017	\$188.94
		10/13/2017	25884	360515145	UNIFORM SVC SEPT 2017	\$19.82
		10/13/2017	25884	420515131	UNIFORM SVC SEPT 2017	\$161.12
		10/13/2017	25884	430515123	UNIFORM SVC SEPT 2017	\$68.32
		10/13/2017	25884	440515126	UNIFORM SVC SEPT 2017	\$32.00
		10/13/2017	25884	480515161	UNIFORM SVC SEPT 2017	\$189.96
		10/13/2017	25884	490515151	UNIFORM SVC SEPT 2017	\$393.32
CINTAS CORPORATION #640						Total Check Amount: \$1,807.14
V26002	CIVILSOURCE INC	10/13/2017	22210	510707873	TRACKS S4 AUG17	\$25,560.00
CIVILSOURCE INC						Total Check Amount: \$25,560.00
V26003	CLUB SERVICES	10/13/2017	16963	110404215	EQPT MNT 8/11/17	\$279.05
		10/13/2017	16963	110404215	EQPT MNT 9/8/17	\$596.95
CLUB SERVICES						Total Check Amount: \$876.00
V26004	DANIELS TIRE SERVICE	10/13/2017	3133	480515161	TRUCK TIRES	\$2,424.44
DANIELS TIRE SERVICE						Total Check Amount: \$2,424.44
V26005	DAVID EVANS AND ASSOCIATES, INC.	10/13/2017	20981	510707929	LDM PARK PLANS 8/26	\$5,092.02
DAVID EVANS AND ASSOCIATES, INC.						Total Check Amount: \$5,092.02
V26006	DE LAGE LANDEN FINANCIAL SERVICES	10/13/2017	23311	110141441	DISPATCH #1 SEP/OCT17	\$238.50
		10/13/2017	23311	110141441	FIRE STN #1 SEP/OCT17	\$88.13
		10/13/2017	23311	110141441	FIRE STN #2 SEP/OCT17	\$255.06
		10/13/2017	23311	110141441	FIRE STN #4 SEP/OCT17	\$88.13
		10/13/2017	23311	110141441	SR CNTR #1 SEP/OCT17	\$238.51
DE LAGE LANDEN FINANCIAL SERVICES						Total Check Amount: \$908.33

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V26007	DENNIS GRUBB & ASSOCIATES, LLC.	10/13/2017	25568	110222231	PLAN CHK OLINDA VILL	\$1,034.00
DENNIS GRUBB & ASSOCIATES, LLC. Total Check Amount:						\$1,034.00
V26008	ROWENA DHINGRA	10/13/2017	25697	110404215	PILATES BCC	\$90.00
ROWENA DHINGRA Total Check Amount:						\$90.00
V26009	EVAN D'HUART	10/13/2017	25826	110212111	HUMAN FACTORS TRNG	\$16.00
EVAN D'HUART Total Check Amount:						\$16.00
V26010	DAVID DICKINSON	10/13/2017	7926	110212111	POST MANAGEMENT SCH	\$40.66
DAVID DICKINSON Total Check Amount:						\$40.66
V26011	MICHAEL DURALDE	10/13/2017	25228	110404215	BECKMAN FITNESS	\$208.00
		10/13/2017	25228	110404215	CLASS INSTRUCTOR BCC	\$520.00
		10/13/2017	25228	110404215	FIT U:BEGINNERS GUIDE	\$418.00
		10/13/2017	25228	110404215	PERSONAL TRAINER BCC	\$932.00
		10/13/2017	25228	110404215	THE BREA MOVEMENT	\$1,083.00
MICHAEL DURALDE Total Check Amount:						\$3,161.00
V26012	MYRA DUVALL	10/13/2017	18083	110404215	YOGA BCC	\$225.00
MYRA DUVALL Total Check Amount:						\$225.00
V26013	E.J. WARD INC	10/13/2017	11309	480515161	FS3 FUEL TERMINAL	\$8,250.00
E.J. WARD INC Total Check Amount:						\$8,250.00
V26014	EAN SERVICES, LLC	10/13/2017	26450	110222221	KNABE:FEMP CAR RENTAL	\$1,545.61
		10/13/2017	26450	110222221	MARVIN:FEMP CAR RENTL	\$1,316.52
EAN SERVICES, LLC Total Check Amount:						\$2,862.13
V26015	EBERHARD EQUIPMENT	10/13/2017	4532	480515161	DISC BLADES AND BOLTS	\$629.07
EBERHARD EQUIPMENT Total Check Amount:						\$629.07
V26016	FRANK ENRIQUEZ	10/13/2017	19807	475141471	SPILLMAN CONFERENCE	\$2.17
FRANK ENRIQUEZ Total Check Amount:						\$2.17
V26017	ENTENMANN ROVIN COMPANY	10/13/2017	3457	110212111	BADGES	\$198.40
ENTENMANN ROVIN COMPANY Total Check Amount:						\$198.40
V26018	EQUIPMENT DIRECT INC	10/13/2017	4522	110515141	GLOVES/GLASSES/ EARPLUGS	\$39.51
		10/13/2017	4522	110515144	GLOVES/GLASSES/ EARPLUGS	\$63.54
		10/13/2017	4522	360515145	GLOVES/GLASSES/ EARPLUGS	\$63.53
EQUIPMENT DIRECT INC Total Check Amount:						\$166.58
V26019	ESRI	10/13/2017	25858	475141471	ARC GIS MAINT 17/18	\$10,223.70
ESRI Total Check Amount:						\$10,223.70
V26020	CYNTHIA ESTRADA-HAEBE	10/13/2017	21970	110212121	CCIAA CONFERENCE	\$54.52
CYNTHIA ESTRADA-HAEBE Total Check Amount:						\$54.52
V26021	GAIL EVERTSEN	10/13/2017	10141	110212111	MILEAGE:SEPT 2017	\$22.26
GAIL EVERTSEN Total Check Amount:						\$22.26

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V26022	EXTERMINETICS OF SO CALIF INC	10/13/2017	3298	490515151	BAIT STATIONS	\$60.00
EXTERMINETICS OF SO CALIF INC					Total Check Amount:	\$60.00
V26023	FIDELITY SECURITY LIFE INSURANCE	10/13/2017	23035	110	9827288 VISION OCT17	\$2,588.51
FIDELITY SECURITY LIFE INSURANCE					Total Check Amount:	\$2,588.51
V26024	FIREFIGHTERS SAFETY CENTER	10/13/2017	18485	110222221	UNIFORMS	\$2,141.57
FIREFIGHTERS SAFETY CENTER					Total Check Amount:	\$2,141.57
V26025	FLEET SERVICES	10/13/2017	5658	480515161	FIRETRUCK ROTORS/SEAL	\$1,102.59
		10/13/2017	5658	480515161	HUB CAP	\$47.97
		10/13/2017	5658	480515161	QUICK CONNECT FITTING	\$19.18
FLEET SERVICES					Total Check Amount:	\$1,169.74
V26026	FLEMING ENVIRONMENTAL, INC.	10/13/2017	18487	480515161	STN 3 VDR-ROOT UPGRDE	\$2,576.64
		10/13/2017	18487	480515161	SVC CALL:DISPENSER #3	\$450.00
FLEMING ENVIRONMENTAL, INC.					Total Check Amount:	\$3,026.64
V26027	JOSIE FORBES	10/13/2017	27007	110404215	FINDERS FEE BECKMAN	\$50.00
JOSIE FORBES					Total Check Amount:	\$50.00
V26028	FUSCOE ENGINEERING, INC.	10/13/2017	18052	110000000	WQMP PLNCHK:SILVERADO	\$132.00
		10/13/2017	18052	410515132	NPDES SVCS AUG 2017	\$1,674.00
FUSCOE ENGINEERING, INC.					Total Check Amount:	\$1,806.00
V26029	GALE SUPPLY COMPANY	10/13/2017	21090	110515141	TRASH LINERS/HANDSOAP	\$337.69
		10/13/2017	21090	110515144	TRASH LINERS/HANDSOAP	\$168.84
		10/13/2017	21090	360515145	TRASH LINERS/HANDSOAP	\$168.85
GALE SUPPLY COMPANY					Total Check Amount:	\$675.38
V26030	MELISSA GIFFORD	10/13/2017	10645	110404215	CLASS INSTRUCTOR BCC	\$200.00
		10/13/2017	10645	110404215	TRX TEAM TRNG MONDAY	\$125.70
MELISSA GIFFORD					Total Check Amount:	\$325.70
V26031	MARTHA H. GODLASKY	10/13/2017	26983	110404524	COUNSELING SVCS SEP17	\$397.50
MARTHA H. GODLASKY					Total Check Amount:	\$397.50
V26032	GRAINGER	10/13/2017	13634	110222211	BATTERIES	\$72.08
GRAINGER					Total Check Amount:	\$72.08
V26033	HAAKER EQUIPMENT CO.	10/13/2017	4297	480515161	CLEAR LID/SHOE	\$257.91
HAAKER EQUIPMENT CO.					Total Check Amount:	\$257.91
V26034	LILLIAN HARRIS-NEAL	10/13/2017	26076	110111161	COUNCIL FOOD	\$9.87
LILLIAN HARRIS-NEAL					Total Check Amount:	\$9.87
V26035	CHRISTOPHER HARVEY	10/13/2017	10364	110212111	HUMAN FACTORS TRNG	\$16.00
CHRISTOPHER HARVEY					Total Check Amount:	\$16.00
V26036	HCI SYSTEMS INC	10/13/2017	25112	110515125	CARBON MONOXIDE SYSTM	\$23,421.22
HCI SYSTEMS INC					Total Check Amount:	\$23,421.22
V26037	MONA HERNANDEZ	10/13/2017	23114	110404215	MASSAGE THERAPIST BCC	\$927.00
MONA HERNANDEZ					Total Check Amount:	\$927.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V26038	HI STANDARD AUTOMOTIVE, LLC	10/13/2017	2226	480515161	LED LTS/RADIO TRAYS	\$1,301.62
		10/13/2017	2226	480515161	PATROL REAR PARTITION	\$2,994.27
		10/13/2017	2226	480515161	RADIO ANTENNAS	\$879.83
HI STANDARD AUTOMOTIVE, LLC					Total Check Amount:	\$5,175.72
V26039	HUNTINGTON COURT REPORTS&TRANSCRIP.	10/13/2017	18131	110212122	TRNSCRPTN 9/1-9/15/17	\$434.88
HUNTINGTON COURT REPORTS&TRANSCRIP.					Total Check Amount:	\$434.88
V26040	IMPERIAL SPRINKLER SUPPLY	10/13/2017	24260	110515141	INSTALL IRRIG ANTENNA	\$1,521.08
		10/13/2017	24260	110515141	IRRIGATION PARTS	\$240.53
		10/13/2017	24260	110515141	SAW	\$14.08
		10/13/2017	24260	110515143	INSTALL IRRIG ANTENNA	\$2,060.65
		10/13/2017	24260	110515144	DRAIN GRATES	\$32.01
		10/13/2017	24260	110515144	IRRIGATION PARTS	\$69.28
		10/13/2017	24260	360515145	IRRIGATION PARTS/TOOLS	\$125.29
IMPERIAL SPRINKLER SUPPLY					Total Check Amount:	\$4,062.92
V26041	INK LINK INC	10/13/2017	22423	110404420	NUTCRACKER BANNERS	\$1,519.28
INK LINK INC					Total Check Amount:	\$1,519.28
V26042	JAX AUTO	10/13/2017	20187	480515161	1006 SMOG INSPECTION	\$36.00
		10/13/2017	20187	480515161	1007 SMOG INSPECTION	\$36.00
		10/13/2017	20187	480515161	1220 SMOG INSPECTION	\$36.00
		10/13/2017	20187	480515161	1224 SMOG INSPECTION	\$72.00
		10/13/2017	20187	480515161	22020 SMOG INSPECTION	\$36.00
		10/13/2017	20187	480515161	24002 SMOG INSPECTION	\$36.00
JAX AUTO					Total Check Amount:	\$252.00
V26043	KAREN KIESS	10/13/2017	21414	110404215	CLASS INSTRUCTOR BCC	\$192.00
KAREN KIESS					Total Check Amount:	\$192.00
V26044	KING EQUIPMENT, LLC	10/13/2017	26991	110404211	GENIE 26' SCSSOR LIFT	\$18,785.35
KING EQUIPMENT, LLC					Total Check Amount:	\$18,785.35
V26045	MARSHALL KING	10/13/2017	20807	110404215	PERSONAL TRAINER BCC	\$199.00
MARSHALL KING					Total Check Amount:	\$199.00
V26046	DOLLY LAI	10/13/2017	18084	110404215	YOGA BCC	\$90.00
DOLLY LAI					Total Check Amount:	\$90.00
V26047	LAKIN TIRE WEST, INC.	10/13/2017	12286	480515161	USED TIRE DISPOSAL	\$239.05
LAKIN TIRE WEST, INC.					Total Check Amount:	\$239.05
V26048	RENEE F. LAVACOT	10/13/2017	6754	110404215	ZUMBA BCC	\$225.00
RENEE F. LAVACOT					Total Check Amount:	\$225.00
V26049	LIBERTY PAINTING & RESTORATION, INC	10/13/2017	25899	110515121	GRAFFITI REMOVAL	\$220.00
LIBERTY PAINTING & RESTORATION, INC					Total Check Amount:	\$220.00
V26050	THE LIGHTHOUSE	10/13/2017	8787	480515161	ARROW STICK CONTRLLER	\$387.90

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
THE LIGHTHOUSE						Total Check Amount: \$387.90
V26051	LINCOLN AQUATICS	10/13/2017	17902	110404422	POOL CHEMICALS	\$447.43
LINCOLN AQUATICS						Total Check Amount: \$447.43
V26052	LONG BEACH BMW	10/13/2017	18120	480515161	1535 CLUTCH REPAIR	\$768.56
LONG BEACH BMW						Total Check Amount: \$768.56
V26053	NATHANAEL LONKY	10/13/2017	27014	110404215	MASSAGE THERAPIST BCC	\$335.00
NATHANAEL LONKY						Total Check Amount: \$335.00
V26054	LOS ANGELES ENGINEERING, INC.	10/13/2017	26670	420000000	CLOSED WATER ACCOUNT	\$1,374.72
LOS ANGELES ENGINEERING, INC.						Total Check Amount: \$1,374.72
V26055	TANYA LOSCUTOFF	10/13/2017	22092	110404215	BECKMAN BOOT CAMP	\$52.00
		10/13/2017	22092	110404215	CLASS INSTRUCTOR BCC	\$175.00
		10/13/2017	22092	110404215	NUMBER SEASON/PT CLUB	\$180.00
		10/13/2017	22092	110404215	PERSONAL TRAINER BCC	\$563.00
TANYA LOSCUTOFF						Total Check Amount: \$970.00
V26056	MICAH MACIAS	10/13/2017	26340	110404215	ADMIN BECKMAN	\$408.00
		10/13/2017	26340	110404215	CIRCUIT SPORT BECKMAN	\$286.00
		10/13/2017	26340	110404215	PERSONAL TRAINER BCC	\$195.00
MICAH MACIAS						Total Check Amount: \$889.00
V26057	KRIS MARUMOTO	10/13/2017	17803	110404215	YOGA BCC	\$300.00
		10/13/2017	17803	110404215	YOGA BECKMAN	\$104.00
KRIS MARUMOTO						Total Check Amount: \$404.00
V26058	ANDREA MCGRANAHAN	10/13/2017	26046	110404215	CLASS INSTRUCTOR BCC	\$425.00
		10/13/2017	26046	110404215	CYCLE/BECKMAN FITNESS	\$156.00
		10/13/2017	26046	110404215	PERSONAL TRAINER BCC	\$316.47
ANDREA MCGRANAHAN						Total Check Amount: \$897.47
V26059	MARGARITO MENDEZ	10/13/2017	26196	110212134	BASIC SWAT SCHOOL	\$2,210.34
MARGARITO MENDEZ						Total Check Amount: \$2,210.34
V26060	GABRIELA MONZON	10/13/2017	26805	110111161	COUNCIL FOOD/DRINKS	\$20.36
GABRIELA MONZON						Total Check Amount: \$20.36
V26061	JENNIFER MONZON-SCROFINI	10/13/2017	20158	110404215	CLASS INSTRUCTOR BCC	\$175.00
JENNIFER MONZON-SCROFINI						Total Check Amount: \$175.00
V26062	NATASHA MOORE	10/13/2017	10711	110404215	BODY PUMP BCC	\$168.00
NATASHA MOORE						Total Check Amount: \$168.00
V26063	MUNICIPAL WATER DISTRICT	10/13/2017	3784	420515131	17/18 CHOICE SCH PROG	\$43,959.38
MUNICIPAL WATER DISTRICT						Total Check Amount: \$43,959.38
V26064	KAREN O'LEARY	10/13/2017	26080	110111161	MILEAGE:SEPT 2017	\$51.36
KAREN O'LEARY						Total Check Amount: \$51.36
V26065	SHAUN OSHANN	10/13/2017	25949	460141474	MILEAGE:SEPT 2017	\$460.64
SHAUN OSHANN						Total Check Amount: \$460.64

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V26066	PACIFIC TELEMAGEMENT SERVICES	10/13/2017	19696	110141471	7147920398 OCT 2017	\$75.00
PACIFIC TELEMAGEMENT SERVICES					Total Check Amount:	\$75.00
V26067	PARKHOUSE TIRE, INC.	10/13/2017	22120	480515161	SWEEPER TIRES	\$1,892.45
PARKHOUSE TIRE, INC.					Total Check Amount:	\$1,892.45
V26068	PIERRE PASA	10/13/2017	11096	110404215	CARDIO KICK BCC	\$248.00
PIERRE PASA					Total Check Amount:	\$248.00
V26069	HERMAN PERDOMO JR,	10/13/2017	20265	110404215	BODY PUMP BCC	\$100.00
HERMAN PERDOMO JR,					Total Check Amount:	\$100.00
V26070	IRACEMA PERDOMO	10/13/2017	14135	110404215	CLASS INSTRUCTOR BCC	\$200.00
IRACEMA PERDOMO					Total Check Amount:	\$200.00
V26071	QUALITY PLACEMENT AUTHORITY, LLC	10/13/2017	27027	110141411	TEMP STAFF 9/11-9/24	\$463.32
		10/13/2017	27027	110141411	TEMP STAFF 9/7-9/10	\$154.44
QUALITY PLACEMENT AUTHORITY, LLC					Total Check Amount:	\$617.76
V26072	RICHARDS, WATSON & GERSHON	10/13/2017	8978	110000000	0001 GEN LGL SVCS AUG	\$1,159.00
		10/13/2017	8978	110000000	9999 GEN LGL SVCS AUG	\$1,782.00
		10/13/2017	8978	110111112	0001 GEN LGL SVCS AUG	\$9,337.08
		10/13/2017	8978	110111112	9999 GEN LGL SVCS AUG	\$15,749.00
		10/13/2017	8978	280323215	0001 GEN LGL SVCS AUG	\$874.00
		10/13/2017	8978	470141483	0001 GEN LGL SVCS AUG	\$19.00
		10/13/2017	8978	470141483	9999 GEN LGL SVCS AUG	\$44.00
		10/13/2017	8978	510707452	9999 GEN LGL SVCS AUG	\$66.00
		10/13/2017	8978	510707621	9999 GEN LGL SVCS AUG	\$110.00
		10/13/2017	8978	510707903	0001 GEN LGL SVCS AUG	\$152.00
		10/13/2017	8978	510707903	9999 GEN LGL SVCS AUG	\$286.00
RICHARDS, WATSON & GERSHON					Total Check Amount:	\$29,578.08
V26073	BRANDICE ROGERS	10/13/2017	26780	110404215	CIRCUIT SPORT BCC	\$115.00
BRANDICE ROGERS					Total Check Amount:	\$115.00
V26074	RPW SERVICES, INC.	10/13/2017	3791	360515147	FLEAS SPRAY:DOG PARK	\$180.00
RPW SERVICES, INC.					Total Check Amount:	\$180.00
V26075	JOSHUA SAZDANOFF	10/13/2017	21272	110404215	PERSONAL TRAINER BCC	\$129.00
JOSHUA SAZDANOFF					Total Check Amount:	\$129.00
V26076	PAMELA SCHMIDT	10/13/2017	12209	110404145	HYPNOSIS CLASS	\$48.00
PAMELA SCHMIDT					Total Check Amount:	\$48.00
V26077	LAURENE SCHULZE	10/13/2017	18034	110404215	YOGA BCC	\$46.00
LAURENE SCHULZE					Total Check Amount:	\$46.00
V26078	BRANDI SCHUMACHER	10/13/2017	26514	110404215	YOGA BECKMAN	\$104.00
BRANDI SCHUMACHER					Total Check Amount:	\$104.00
V26079	HEIDE SHAKERI	10/13/2017	11756	110404215	LOW IMPACT BCC	\$120.00
HEIDE SHAKERI					Total Check Amount:	\$120.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V26080	ISMAEL O SILVA	10/13/2017	24370	110404215	ZUMBA BCC	\$360.00
ISMAEL O SILVA					Total Check Amount:	\$360.00
V26081	SITEONE LANDSCAPE SUPPLY, LLC	10/13/2017	25942	110515141	IRRIG PARTS/TOOLS/MODEM	\$920.75
SITEONE LANDSCAPE SUPPLY, LLC					Total Check Amount:	\$920.75
V26082	SMART & FINAL	10/13/2017	3269	110404429	ASP CAFE	\$179.09
SMART & FINAL					Total Check Amount:	\$179.09
V26083	WHITNEY SOLENBERGER	10/13/2017	26744	110404215	YOGA BECKMAN	\$138.00
WHITNEY SOLENBERGER					Total Check Amount:	\$138.00
V26084	SOUTH COAST EMERGENCY VEHICLE SVC	10/13/2017	18619	480515161	SOLENOID VALVE	\$443.73
SOUTH COAST EMERGENCY VEHICLE SVC					Total Check Amount:	\$443.73
V26085	STAGELIGHT PERFORMING ARTS	10/13/2017	25172	110404145	ACTING/VOCAL/YOGA	\$150.00
STAGELIGHT PERFORMING ARTS					Total Check Amount:	\$150.00
V26086	STAPLES TECHNOLOGY SOLUTIONS	10/13/2017	22888	110323212	TONER	\$465.91
		10/13/2017	22888	110515111	PRINTER	\$129.20
		10/13/2017	22888	475141471	INK TONER	\$77.32
STAPLES TECHNOLOGY SOLUTIONS					Total Check Amount:	\$672.43
V26087	STERICYCLE, INC.	10/13/2017	11925	110212121	STERI-SAFE SEP 2017	\$458.42
STERICYCLE, INC.					Total Check Amount:	\$458.42
V26088	STOVER SEED COMPANY	10/13/2017	15803	110515144	GRASS SEED	\$207.02
STOVER SEED COMPANY					Total Check Amount:	\$207.02
V26089	SUPERION, LLC	10/13/2017	26879	475141471	ASP BACKUP SVCS OCT17	\$1,817.42
SUPERION, LLC					Total Check Amount:	\$1,817.42
V26090	TERRY'S TESTING, INC.	10/13/2017	9217	343515112	BACKFLOW REPLACEMENTS	\$1,195.00
		10/13/2017	9217	345515112	BACKFLOW REPLACEMENTS	\$1,195.00
		10/13/2017	9217	346515112	BACKFLOW REPLACEMENTS	\$2,390.00
TERRY'S TESTING, INC.					Total Check Amount:	\$4,780.00
V26091	THOMSON REUTERS - WEST	10/13/2017	22020	110212121	WEST INFOCHGS AUG17	\$344.18
THOMSON REUTERS - WEST					Total Check Amount:	\$344.18
V26092	THYSSENKRUPP ELEVATOR	10/13/2017	10308	110515125	ELEVATOR REPAIR DT PS 1	\$1,196.76
THYSSENKRUPP ELEVATOR					Total Check Amount:	\$1,196.76
V26093	TIFCO INDUSTRIES	10/13/2017	8995	480515161	SCREWS/DRILLBITS/NUTS	\$362.81
TIFCO INDUSTRIES					Total Check Amount:	\$362.81
V26094	TOWNSEND PUBLIC AFFAIRS, INC.	10/13/2017	18881	110141413	CONSULTING SVCS OCT17	\$1,250.00
		10/13/2017	18881	410141413	CONSULTING SVCS OCT17	\$1,250.00
		10/13/2017	18881	420141413	CONSULTING SVCS OCT17	\$1,250.00
		10/13/2017	18881	430141413	CONSULTING SVCS OCT17	\$1,250.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
TOWNSEND PUBLIC AFFAIRS, INC.						Total Check Amount: \$5,000.00
V26095	TROPICAL PLAZA NURSERY, INC	10/13/2017	2062	110515143	SPRAY TRACKS S3 WEEDS	\$440.00
		10/13/2017	2062	341515112	IRRIGATION REPAIRS	\$167.08
		10/13/2017	2062	346515112	BRANCH REMOVAL	\$150.00
		10/13/2017	2062	346515112	IRRIGATION REPAIR	\$210.90
		10/13/2017	2062	346515112	IRRIGATION REPAIRS	\$366.68
		10/13/2017	2062	420515131	CITY RESERVOIRS SEP17	\$1,316.50
TROPICAL PLAZA NURSERY, INC						Total Check Amount: \$2,651.16
V26096	LETICIA TRUJILLO	10/13/2017	22054	110404215	CLASS INSTRUCTOR BCC	\$288.00
		10/13/2017	22054	110404521	ZUMBA GOLD SR CTR	\$330.00
LETICIA TRUJILLO						Total Check Amount: \$618.00
V26097	TURBO DATA SYSTEMS, INC.	10/13/2017	1472	110212122	CITATION PROCESSING	\$2,607.94
TURBO DATA SYSTEMS, INC.						Total Check Amount: \$2,607.94
V26098	EDEN TURNER	10/13/2017	21951	110404215	BODY PUMP BCC	\$216.00
EDEN TURNER						Total Check Amount: \$216.00
V26099	SEONAG TURNER	10/13/2017	20291	110404215	PERSONAL TRAINER BCC	\$462.00
		10/13/2017	20291	110404215	PILATES BCC	\$120.00
SEONAG TURNER						Total Check Amount: \$582.00
V26100	UNITED ROTARY BRUSH CORPORATION	10/13/2017	16649	480515161	SWEEPER BROOM	\$100.21
		10/13/2017	16649	480515161	SWEEPER BROOMS (2)	\$200.42
		10/13/2017	16649	480515161	SWEEPER BROOMS (3)	\$300.62
UNITED ROTARY BRUSH CORPORATION						Total Check Amount: \$601.25
V26101	JUANA VENTURA	10/13/2017	17752	110404215	CYCLE BCC	\$100.00
		10/13/2017	17752	110404215	CYCLE BECKMAN	\$208.00
JUANA VENTURA						Total Check Amount: \$308.00
V26102	LINDA WATSON	10/13/2017	11871	110404215	YOGA BCC	\$210.00
LINDA WATSON						Total Check Amount: \$210.00
V26103	WAXIE SANITARY SUPPLY	10/13/2017	3332	110515141	STD ROLLS	\$681.73
		10/13/2017	3332	110515144	STD ROLLS	\$227.24
		10/13/2017	3332	360515145	STD ROLLS	\$227.25
		10/13/2017	3332	490515151	JANITORIAL SUPPLIES	\$522.11
		10/13/2017	3332	490515151	STD ROLLS	\$1,363.47
		10/13/2017	3332	490515151	TOWELS	\$2,098.23
WAXIE SANITARY SUPPLY						Total Check Amount: \$5,120.03
V26104	WEST COAST ARBORISTS, INC.	10/13/2017	1556	110515125	TREE TRIMMING/REMOVAL	\$600.03
		10/13/2017	1556	110515125	TRIM/PLNT/REMOVED TREES	\$7,600.00
		10/13/2017	1556	110515142	TREE TRIMMING/REMOVAL	\$3,463.96
		10/13/2017	1556	110515142	TRIM/PLNT/REMOVED TREES	\$3,816.90
		10/13/2017	1556	343515112	TREE TRIMMING	\$1,600.08

City Check Register for: Oct 13, 2017

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V26104	WEST COAST ARBORISTS, INC.	10/13/2017	1556	346515112	TREE TRIMMING/REMOVAL	\$1,800.09
		10/13/2017	1556	510707929	TREE REMOVAL	\$1,404.00
		10/13/2017	1556	510707929	TREE TRIMMING	\$1,066.72
WEST COAST ARBORISTS, INC.					Total Check Amount:	\$21,351.78
V26105	ZOLL MEDICAL CORPORATION	10/13/2017	23538	110222222	AUTOPLSE SOFT STRTCHR	\$272.44
ZOLL MEDICAL CORPORATION					Total Check Amount:	\$272.44
V26106	ZUMAR INDUSTRIES, INC.	10/13/2017	3802	110141481	SVC AWARD PLACARDS	\$40.92
		10/13/2017	3802	510707212	BREA BLVD SIGN UPGRDE	\$1,077.50
		10/13/2017	3802	510707212	CREDIT TO INV#0170908	(\$5,164.47)
		10/13/2017	3802	510707212	HRDWRE:OVERHANG SIGNS	\$5,446.81
		10/13/2017	3802	510707212	SIGN UPGRADE/REPL	\$1,077.50
		10/13/2017	3802	510707703	ENTERPRISE TRCT SIGNS	\$1,588.24
		10/13/2017	3802	510707703	LA VALENCIA TRCT SGNS	\$1,082.89
		10/13/2017	3802	510707703	NEW STREET SIGN:BLAKE	\$72.19
		10/13/2017	3802	510707703	VESUVIUS TRACT SIGNS	\$1,299.47
ZUMAR INDUSTRIES, INC.					Total Check Amount:	\$6,521.05
Voucher Subtotal						\$704,725.24
TOTAL						\$897,497.80