



FINANCE COMMITTEE AGENDA

Tuesday, March 28, 2017

8:30 AM

Executive Conference Room, Level Three
Brea Civic & Cultural Center, 1 Civic Center Circle, Brea, California

MEMBERS: Council Member Christine Marick and Council Member Marty Simonoff
ALTERNATE: Mayor Cecilia Hupp

Materials related to an item on this agenda submitted to the Finance Committee after distribution of the agenda packet are available for public inspection in the third floor lobby of the Civic and Cultural Center 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.

CALL TO ORDER / ROLL CALL

1. Matters from the Audience

CONSENT

2. Approval of Minutes of February 14, 2017 Meeting

Attachments

Minutes

3. Feasibility Study and Conceptual Plan for Western Extension to The Tracks at Brea Trail
4. Additional Appropriation For The Glenbrook Tract Water and Street Improvements, Project 7452

Attachments

Resolution to Appropriate Additional Funds

NOTE: This agenda is subject to amendments up to 72 hours prior to the meeting date.

5. Approve Purchase of Two Police Interceptor Utility SUVs in the Amount of \$60,993.72

Attachments

Quote

6. Amendment No. 1 to Agreement with U.S. Metro Group, Inc. for Janitorial and Related Services at Various City Facilities

Attachments

Original Agreement

Amendment No. 1, Attachment A

DISCUSSION

7. Authorization for the Successor Agency to the Brea Redevelopment Agency for the Issuance and Sale of Tax Allocation Refunding Bonds to Refinance Outstanding 2003 Tax Allocation Bonds and 2011 Tax Allocation Bonds, Series A and Taxable Series B of the Former Brea Redevelopment Agency, Relating to Project Area AB; Requesting Certain Actions and Findings by the Oversight Board and Approving Related Matters

Attachments

Resolution

Debt Service Savings Report

8. Schedule Next Meeting: April 11, 2017

cc: Mayor Pro Tem Glenn Parker
Council Member Steven Vargas

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)

City of Brea

FINANCE COMMITTEE COMMUNICATION

FROM: City Manager

DATE: 03/28/2017

SUBJECT: Approval of Minutes of February 14, 2017 Meeting

Attachments

Minutes



FINANCE COMMITTEE MINUTES

Tuesday, February 14, 2017

8:30 AM

Executive Conference Room, Level Three

Brea Civic & Cultural Center, 1 Civic Center Circle, Brea, California

CALL TO ORDER / ROLL CALL

ATTENDEES: Council Member Christine Marick, Council Member Marty Simonoff, David Crabtree, Cindy Russell, Kathie DeRobbio, Faith Madrazo, Sean Matlock, Alicia Brenner and Keri Bullock.

1. Matters from the Audience – *None*

CONSENT

2. Approval of Minutes of January 31 Meeting – *Approved*
3. Amendment No. 1 to the Professional Services Agreement with Housing Programs for Single Family Rehabilitation Program Assistance – *Recommended for City Council approval.*

DISCUSSION

4. Schedule Next Meeting: February 28, 2017

Meeting adjourned: 8:35 AM

cc: Mayor Cecilia Hupp
Mayor Pro Tem Glenn Parker
Council Member Steven Vargas

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Kathie DeRobbio

DATE: 03/28/2017

SUBJECT: Feasibility Study and Conceptual Plan for Western Extension to The Tracks at Brea Trail

RECOMMENDATION

Approve recommendation of Feasibility Study and conceptual plan for western extension to The Tracks at Brea Trail.

BACKGROUND/DISCUSSION

The County of Orange is spearheading an effort to create a 66-mile active transportation corridor for people to bike and walk throughout the County called "The OC Loop." The Tracks at Brea is part of that loop. The City of La Habra is attempting to build a trail along railroad rights of way (ROW) in their city and is currently negotiating with Union Pacific Railroad (UP) to purchase an easement for that purpose along active ROW. UP has stated that while they are receptive to working with La Habra, they will only agree to an easement if Brea also agrees to purchase a similar easement on the portion of ROW within our city.

The Brea easement would be from the western end of the current trail property, which is located at the Brea flood control channel west of Downtown to Palm Street, which is the border with La Habra. The easement width would be fifteen feet and the length is approximately 1.3 miles. The Brea and La Habra easement would close an important gap in the OC Loop and mean that bike commuters, joggers and walkers could connect between the two cities and points beyond.

Historically, UP has not been receptive to working with cities for easements along active ROW, so this is an opportunity that may not come again for a very long time. There are, however, challenges to developing the trail on this section of ROW including grade changes, probable soil contamination and the high pressure gas line on the north side of the property. Therefore, staff is recommending that David Evans and Associates (DEA) conduct a feasibility study and develop a conceptual plan to determine if the trail could be built on a fifteen foot wide easement and if so, the specific location of that easement that would make a trail possible. Their study would also include a cost estimate to construct the trail. The results of their work would provide vital information the City would need to determine if the trail easement makes sense for Brea considering a cost/benefit analysis.

SUMMARY/FISCAL IMPACT

The cost estimate from DEA to provide the feasibility study and conceptual design is \$25,525. Unfortunately, none of our current grants can be used for this purpose, so the City would need to provide the funds from the General Fund.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Kathie DeRobbio, Economic Development Manager

Concurrence: David Crabtree, Community Development Director

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: City Manager

DATE: 03/28/2017

SUBJECT: Additional Appropriation For The Glenbrook Tract Water and Street Improvements, Project 7452

RECOMMENDATION

1. Adopt Resolution to appropriate an additional \$314,000 from the Water Fund (Fund 420) for Project contingency and Project administration.
2. Increase construction contingency from 10% to 22%.

BACKGROUND/DISCUSSION

On March 22, 2016, City Council awarded a Contract to O'Duffy Bros., Inc. (Contractor) in the amount of \$2,397,058 and approved a construction contingency of \$239,706 for the Glenbrook Tract Water and Street Improvements, Project 7452 (Project). This Project will rehabilitate 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. In addition, the Project will replace approximately 12,700 linear feet of water main, services, gate valves, fire hydrants, and appurtenances. Finally, this Project will replace damaged and/or uplifted sections of sidewalk, curb and gutter and reconstruct curb access ramps to be in compliance with Americans with Disabilities Act (ADA) requirements. The improvements will be performed on Fig Avenue, Eucalyptus Street, Plum Avenue, Redbay Avenue, Camphor Circle, Valverde Avenue, Aurora Avenue, Holly Street (street and fire hydrant improvements only - water mains were replaced in 1989), Chevy Chase Drive, Hillhaven Drive, Greenbriar Lane, Eucalyptus Lane, Amberwick Circle, Windermere Circle, Heather Circle, Dover Avenue, Amberwick Lane, Heather Lane, and Devonshire Drive.

The installation of the water line improvements started in June 2016, and the Project was anticipated to be completed by February 2017. However, during construction, the Contractor encountered unforeseen conditions that resulted in significant delays and additional costs. Most of the 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. Additionally, the Contractor encountered large concrete encasements to connect the new water main to the existing water main, thus it was necessary to install additional fittings and removal of concrete to complete the water main connections. These unforeseen conditions resulted in decreased daily production, which necessitated staff to direct the Contractor to proceed with the Change Order work on a time

and materials basis in order to control costs and further reduce the potential time delays. 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.

To date, staff has negotiated the cost of four (4) Change Orders with the Contractor in an amount of \$367,360.88, which exceeds the staff Change Order authority of \$239,706 by \$127,654.88. Of this total, approximately \$76,850 was related to the added water connections. Change Orders 1 and 2 totaling \$145,434.65 have been paid, which are within staff's Change Order authority. Change Orders 3 and 4, totaling \$221,926.23, have been approved by staff, but will exceed staff's Change Order authority. Therefore, they will be part of the pending Pay Estimate No. 9 payment. Although, Change Orders 1 through 4 have been approved by staff, there are some remaining work changes still under review (Change Order 5), which could bring the total Change Orders to \$525,000 for this Project or roughly 22% of the Contract. Additionally, due to the extended time for this Project to be completed, staff is recommending an additional \$29,000 for construction engineering (i.e. inspections/administration).

Therefore, due the Change Orders discussed with added construction engineering, staff is requesting the City Council consider appropriating an additional \$314,000 to the Project budget. Staff is still evaluating the total cost and reimbursement process with respect to the Change Orders related to mis-marked/unmarked facilities (ie. Gas and AT&T), which could reduce the total Project cost incurred by the City. The new anticipated Project completion date is late April 2017; weather permitting. The following is summary of all Change Orders:

Description	Amount	Status
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).	\$77,170.33	Approved
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).	\$68,264.32	Approved

3. Complete additional water connections at Chevy Chase, Valverde and Glenbrook Clubhouse parking lot (Final Phase). Numerous utility conflicts at various locations.	\$122,468.89	Approved
4. Realigned new water line due to fiber optic cable conflict and numerous utility conflicts at various locations.	\$99,457.34	Approved
5. Unexpected deeper high pressure main line to be abandoned at Birch and Redbay. Numerous utility conflicts with house water services.	\$125,000.00	Pending/Under Review
Subtotal	\$492,360.88	
Allowance for Unanticipated Conflicts	\$32,639.12	
Total	\$525,000.00	

As stated previously, in an effort to minimize costs and further time delays on the Project, the Contractor agreed with the City to complete the extra work on a time and materials basis. This required significant documentation and a lengthy review process. For instance, Change Orders 3 and 4 were performed in October 2016 through early December 2016 and the amounts were just finalized in mid-March 2017. To date, the Project has completed the following:

- Replaced approximately 12,700 linear feet of water mains
- Replaced damaged curb, gutter and sidewalk
- Reconstructed curb ramps

The following work is remaining:

- Pavement resurfacing to be constructed by late April 2017
- Close out/Final

SUMMARY/FISCAL IMPACT

The total approved budget for the Project was \$2,900,000 with funding coming from a combination of Measure M (\$663,000), Sewer (\$30,000), Urban Runoff (\$7,000), and Water (\$2,200,000) funds. Staff is requesting City Council consider an additional \$314,000 from the Water Fund (Fund 420) to cover the cost of current approved Change Orders to date and the anticipated pending Change Order work as identified in the previous table. Therefore, a Resolution appropriating the added funds from the Water Fund (Fund 420) 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:

Project Expenditure	Approved budget	Requested Funds	Total
Construction Contract	\$2,397,058	\$0	\$2,397,058
Contingency	\$239,706	\$285,294	\$525,000
Subtotal	\$2,636,764	\$285,294	\$2,922,058
Construction Engineering (i.e. inspections, administration)	\$263,236	\$28,706	\$291,942
Total	\$2,900,000	\$314,000	\$3,214,000

The Project encountered unforeseen conditions including numerous utility conflicts and other unanticipated work as well as extra needed water connections that resulted in additional costs that exceeded the Project contingency and schedule delays. Therefore, staff is requesting City Council consider increasing the Project contingency for Change Orders from 10% to 22% (\$525,000) and adding \$314,000 to the Project budget.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Raul Y. Lising, P.E. Assistant City Engineer

Concurrence: Steve Kooyman, P.E. City Engineer, Tony Olmos, P.E. Public Works Director

Attachments

Resolution to Appropriate Additional Funds

RESOLUTION NO.

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) 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), to the Capital Improvement Program Fund (510), for Project 7452 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 Project, by \$314,000; and

2. Appropriate an additional \$314,000 to the Capital Improvement Program Fund (510) for Project 7452, Glenbrook Track Waterline Improvements Project.

APPROVED AND ADOPTED this 4th day of April, 2017.

Mayor

ATTEST: _____
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 4th day of April, 2017, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAINED: COUNCIL MEMBERS:

Dated: _____

City Clerk

City of Brea

FINANCE COMMITTEE COMMUNICATION**TO:** Finance Committee Members**FROM:** City Manager**DATE:** 03/28/2017**SUBJECT:** Approve Purchase of Two Police Interceptor Utility SUVs in the Amount of \$60,993.72.**RECOMMENDATION**

Authorize the City to Proceed with the Purchase of two Police Interceptor Utility SUVs in the Amount of \$60,993.72 (see attached Quote). However, a 2% discount will be applied if payment is processed within 20 days of delivery of vehicles bringing the total amount to \$59,773.85.

BACKGROUND/DISCUSSION

The City of Brea has small volume requirements for the number of Police patrol vehicles it typically purchases annually. The Purchasing Division endeavors to find the very best cooperative agreement that ultimately provides the City of Brea with the lowest vehicle cost obtainable. As such, there are essentially seven Ford dealerships in California that are major players and actively seek to respond to bid opportunities from large agency users. The table below highlights the opportunities that were available for our utilization from the purchase in August 2016:

Dealership	Location	Original Contracting Agency	Original Contracting Quantity	Per Unit Price	Brea Total Cost for Two Units
Downtown Ford Sales	Sacramento	City of Sacramento	36	\$30,275.83	\$60,551.66
Wondries Fleet Group	Alhambra	City of Los Angeles	81	\$30,475.55	\$60,951.10
Fritts Ford	Riverside	Riverside County	25	\$31,595.91	\$63,191.82
Fritts Ford	Riverside	City of Riverside	4	\$35,085.53	\$70,171.06
Fairview Ford Sales	San Bernardino	N/A			
Hemborg Ford	Norco	N/A			

Raceway Ford	Riverside	N/A			
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Brea Municipal Code (BMC) Section 3.24.170 Cooperative Purchasing Programs states, "Purchasing of...equipment...made under a cooperative purchasing program, utilizing purchasing agreements maintained by...other public agencies are exempted from the requirements of this chapter." The advantages of utilizing the cooperative contract from Downtown Ford Sales include:

1. Lowest unit cost of three dealerships that actively seek bidding opportunities.
2. The City of Brea has had at least seven years of successful experience in purchasing such vehicles through Downtown Ford Sales.
3. Based on the bid information listed above, the formal bidding process would add additional time and cost to the purchasing process (up to three months) and most likely not result in a more competitive price. For example, the City of Brea would most likely receive a bid similar to the City of Riverside, which recently (May 2016) purchased only four units, if it were to seek a competitive, sealed, advertised (formal) bids for only two units. Based on the purchase of two units under the Downtown Ford Sales cooperative contract, the City of Brea would save approximately \$10,000 over the expected result from a stand-alone formal bid process.

SUMMARY/FISCAL IMPACT

The total cost to purchase two new 2017 Ford Interceptor Utility (Explorer) SUVs is \$60,993.72. A 2% discount will be applied if payment is processed within 20 days of delivery of vehicles, bringing the total amount to \$59,773.85. Sufficient funding has been included in the FY 2016-17 budget for the Public Works Equipment Maintenance Division in Account 480-51-5161-4641.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager
Prepared by: Alex Escobar, Equipment Division Supervisor
Concurrence: Tony Olmos, Public Works Director

Attachments

Quote

THIS IS YOUR QUOTE

DOWNTOWN FORD SALES
525 N16th Street, Sacramento, CA. 95811
916-442-6931 fax 916-491-3138

S020917 626

QUOTATION

Customer

Name CITY OF BREA
Address VERENICE RAMERIZ
City _____ PH _____
Phone VIA EMAIL

Date 2/9/2017
REP SANDRA
Phone 916-442-6931
FOB SACRAMENTO

Qty	Description	Unit Price	TOTAL
2	2017 FORD UTILITY POLICE INTERCEPTOR CITY OF SACRAMENTO CONTRACT C2016-0531	\$24,394.00	\$48,788.00
2	AUXILLARY AIR CONDITIONING	\$569.00	\$1,138.00
2	DARK CAR FEATURE	\$19.00	\$38.00
2	KEYED ALIKE 1284X	\$48.00	\$96.00
2	NOISE SUPPRESSION BOND STRAPS	\$93.00	\$186.00
2	SPOT LAMPS LED	\$708.00	\$1,416.00
2	TUTONE PAINT - NO WRAP - ROOF 2FRONT DOORS	\$1,795.00	\$3,590.00
2	REAR VIEW CAMERA IN REAR VIEW MIRROR	\$0.00	\$0.00
2	OPTION 86P, FRONT LAMP HOUSING	\$121.00	\$242.00
2	OPTION 86T, REAR TAILLAMP HOUSING	\$97.00	\$194.00
2	DOC FEE	\$80.00	\$160.00
SALES TAX CALCULATED AT 7.75			

Payment Details

- ☐ Cash
☒ Check
☐ Credit Card

Name _____
CC # _____
Expires _____

Subtotal	\$55,848.00
Delivery	\$800.00
Taxes ORANGE	\$4,328.22
CA Tire Tax	\$17.50
TOTAL	\$60,993.72

Office Use Only

2% DISCOUNT WITH PAYMENT IN 20 DAYS

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: City Manager

DATE: 03/28/2017

SUBJECT: Amendment No. 1 to the Agreement with U.S. Metro Group, Inc. for Janitorial and Related Services at Various City Facilities

RECOMMENDATION

Approve Amendment No. 1 to the Annual Agreement with U.S. Metro Group, Inc. for Janitorial Services.

BACKGROUND/DISCUSSION

In early 2014, staff solicited proposals from eight (8) janitorial contractors to provide annual janitorial services at various City facilities. U.S. Metro Group, Inc. ("Contractor") was the lowest bidder with a base bid price of \$296,400 plus two optional tasks which brought the total bid to \$320,205, which was less than the second bidder's total price of \$350,422. Soon thereafter, staff successfully negotiated the total price of the Contractor's bid down to \$313,599.96. On March 6, 2014, an Agreement was awarded to the Contractor by the City Council for the janitorial and related services in the total amount of \$313,599.96 (see Agreement) for the first term.

The Agreement term commenced on May 1, 2014 for a one (1) year term with up to four (4) one year term extensions upon agreement by both parties. The Agreement allows for a cost-of-living adjustment at time of term extension pursuant to the Consumer Price Index ("CPI") for all urban areas in Los Angeles-Long Beach-Anaheim area. However, the CPI for this area did not include any provisions related to the State of California ("State") Mandated Minimum Wage Rate increases. The State's minimum wage is scheduled to be increased as follows for the duration of the Agreement for employers that have 26 employees or more:

<u>Effective Date</u>	<u>Minimum Wage</u>	<u>Increase Amount</u>
January 1, 2017	\$10.50/hr	\$0.50/hr
January 1, 2018	\$11.00/hr	\$0.50/hr
January 1, 2019	\$12.00/hr	\$1.00/hr
January 1, 2020	\$13.00/hr	\$1.00/hr

Currently, the Agreement has been extended twice for a current annual amount of \$360,601.56, which was related to the state minimum wage adjustments. The Agreement is nearing the end of the third term extension date on May 1, 2017.

The Contractor has provided excellent services and is a company with a combination of experience, abilities and customer service orientation that best meets the needs of the City of

Brea. Staff believes their experience allows them to facilitate the City's goal of providing high-level customer service. The majority of the janitorial staff are paid minimum wage and have worked for various contractors here at the City of Brea for many years.

Due to the State's minimum wage increases, staff is recommending replacing the CPI cost adjustment calculations in Section B, Subsection 8, CONTRACT PRICE AND PAYMENT, of the Agreement to a set annual Agreement price per extended term. Additionally, to align the term of the annual renewal to the City's Fiscal Year, Section B, Subsection 9, TERM; CONTRACT RENEWAL, of the Agreement will be amended to begin all subsequent terms on July 1. Therefore, this Amendment will increase the remainder of the third extended term from \$360,601.56 to \$367,164.06 up to June 30, 2017, to reflect the minimum wage increase that started in January. All subsequent extended terms will have a set price as indicated within the Amendment (see Amendment No. 1, Attachment A).

Therefore, based on their excellent performance to date, staff is recommending amending the Agreement to include set cost increases based on the State minimum wage increases versus the CPI and modifying the subsequent extended term date to start on July 1.

SUMMARY/FISCAL IMPACT

The Amendment will be charged to the Building Occupancy Fund (490-51-5151-4263) and there are sufficient funds in the current budget to cover the additional expense for this Fiscal Year ("FY"). The remaining amount and future increases will be budgeted in FY 2017-18 and FY 2018-19.

Due to the State minimum wage increases and to align the Agreement term to the City's Fiscal Year, staff is recommending City Council consider approving Amendment No. 1 to the Agreement with the Contractor for Janitorial and Related Services at Various City Facilities.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Eric Aulls, Building & Facilities Administrator

Concurrence: Tony Olmos, Public Works Director

Attachments

Original Agreement

Amendment No. 1, Attachment A

AGREEMENT

This agreement ("Agreement") is made and entered into on the 6 day of March, 2014, by and between **US METRO GROUP, INC., A CALIFORNIA CORPORATION**, hereinafter referred to as the "CONTRACTOR", and the City of Brea, a municipal corporation, hereinafter referred to as "CITY".

A. Recitals.

(i) CITY heretofore issued its Request For Proposals for the provision of janitorial services ("RFP"); and

(ii) CONTRACTOR submitted its proposal therein representing that it is willing and qualified to provide the required janitorial services; and

(iii) The CITY has selected CONTRACTOR to provide janitorial services and, therefore, it is the parties' intent in entering this Agreement to set forth terms and conditions applicable to CONTRACTOR's performance of the janitorial services.

B. Agreement.

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

1. GENERAL SCOPE OF WORK: CONTRACTOR shall furnish all labor, tools, materials, appliances, and equipment necessary to perform janitorial and related services, all as described and required in CITY's RFP attached hereto as Exhibit "A", and this Agreement (collectively, "Services"). The Services shall be performed in accordance with specifications and standards on file in the office of the Director of Public Works, in accordance with the instruction of the Director of Public Works, and in compliance with any and all local, State and federal laws, statutes and regulations.

2. INCORPORATED DOCUMENTS TO BE CONSIDERED COMPLEMENTARY: The aforesaid specifications and standards are incorporated by reference herein, and the same, together with the RFP and this Agreement, shall constitute the entire agreement between the parties. This Agreement is intended to require full and complete janitorial services and anything necessary to complete the work properly and in accordance with all laws and applicable regulations shall be performed by the CONTRACTOR whether set out specifically in this Agreement or not. Should it be ascertained that any inconsistency exists between the aforesaid documents and this Agreement, the provisions of this Agreement shall control.

3. CONTRACTOR'S PUBLIC RELATIONS:

In providing the Services, CONTRACTOR shall provide exceptional customer care. Any negative contact with or complaints concerning the Services received from CITY staff, or residents/citizens, building occupants, businesses, visitors or other contractors, shall be reported by CONTRACTOR immediately to CITY. CONTRACTOR'S management and supervisory personnel shall intercede, as necessary, to resolve or mitigate the negative contact or complaint in conjunction with CITY staff. CITY and CONTRACTOR may agree in advance to a single representative of the CITY and/or CONTRACTOR, who shall be responsible for the investigation and resolution of complaints.

4. INSURANCE: The CONTRACTOR shall not commence work under this Agreement until all insurance required hereunder has been procured from a company or companies acceptable to CITY, nor shall the CONTRACTOR allow any subcontractor to commence work on any subcontract in connection with the Services until all insurance required of the subcontractor has been obtained. Any claims filed against the CITY related to the performance of the Services and subsequently tendered to the CONTRACTOR shall be promptly investigated, and any resolution of such claims shall be subject to the indemnification provisions of this Agreement and shall be promptly reported to the CITY.

The CONTRACTOR shall take out and maintain at all times during the life of this Agreement the following policies of insurance:

a. Compensation Insurance: Before beginning work, the CONTRACTOR shall furnish to the Director of Public Works a certificate of insurance as proof that full compensation insurance has been obtained for all persons who are employed directly or through subcontractors in carrying out the work specified herein, in accordance with the laws of the State of California. Such insurance shall be maintained in full force and effect during the period covered by this Agreement.

Further, such policy of insurance shall provide that the insurer waives all rights of subrogation against CITY and its elected officials, officers, employees and agents.

In accordance with the provisions of Section 3700 of the California Labor Code, every CONTRACTOR shall secure the payment of compensation to his employees. CONTRACTOR, prior to commencing work, shall sign and file with the CITY the following certification:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of work of this contract."



(CONTRACTOR'S SIGNATURE)

b. For all operations of the CONTRACTOR or any subcontractor in performing the work provided for herein, insurance with the following minimum limits and coverage:

(1) Commercial General Liability (occurrence) – for personal injury, death and property damage for products/completed operations and any and all other activities undertaken by the CONTRACTOR in the performance of this Agreement;

(2) Automobile Liability (occurrence) – for bodily injury, death and property damage insuring against all liability arising out of the use of any vehicle.

(3) Owner's and CONTRACTOR'S Protective (occurrence) – for bodily injury, death and property damage arising out of any activities undertaken by CONTRACTOR in the performance of this Agreement.

(4) Other required insurance, endorsements or exclusions as required by the Director of Public Works or the plans and specifications.

(5) The policies of insurance required in this Section 4.b shall each have no less than the following limits of coverage:

(i) \$2,000,000 (Two Million Dollars) for personal injury or death;

(ii) \$1,000,000 (One Million Dollars) for property damage;

(iii) The total of the limits specified in subsections (i) and (ii), above, where a combined single limit is provided.

c. Each such policy of insurance required in this Section 4.b shall:

(1) Be subject to no deductible amount unless otherwise provided, or approved in writing by CITY;

(2) Be issued by an insurance company approved in writing by CITY, which is admitted and licensed to do business in the State of California and which is rated A: VII or better according to the most recent A.M. Best Co. Rating Guide;

(3) Name as additional insureds the CITY, its elected officials, officers, employees, attorneys and agents, and any other parties, including subcontractors, specified by CITY to be included;

(4) Specify that it acts as primary insurance and that no insurance held or owned by the designated additional insured shall be called upon to cover a loss under said policy;

(5) Specify that it applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability;

(6) Contain a clause substantially in the following words:

"It is hereby understood and agreed that this policy may not be canceled nor the amount of coverage thereof reduced until thirty (30) days after receipt by CITY of written notice of such cancellation or reduction of coverage as evidenced by receipt of a registered letter."

(7) Specify that any failure to comply with reporting or other provisions of the required policy, including breaches of warranty, shall not affect the coverage required to be provided;

(8) Specify that the insurer waives all rights of subrogation against the named additional insureds; and

(9) Specify that any and all costs of adjusting and/or defending any claim against any insured, including court costs and attorneys' fees, shall be paid in addition to and shall not deplete any policy limits.

(10) Otherwise be in form satisfactory to CITY.

d. Prior to commencing performance under this Agreement, the CONTRACTOR shall furnish the CITY with original endorsements, or copies of each required policy, effecting and evidencing the insurance coverage required by this Agreement. The endorsements shall be signed by a person authorized by the insurer(s) to bind coverage on its behalf. All endorsements or policies shall be received and approved by the CITY before CONTRACTOR commences performance. If performance of this Agreement shall extend beyond one (1) year, CONTRACTOR shall provide CITY with the required policies or endorsements evidencing renewal of the required policies of insurance prior to the expiration of any required policies of insurance.

5. SECURITY AGAINST LOSS: Throughout the term of this Agreement, CONTRACTOR shall provide a fidelity bond, refundable security deposit, or letter of credit satisfactory to the CITY ("Security"), in the amount of \$100,000, to secure CITY against theft and/or conversion of any personal property, cash or other valuables owned or possessed by CITY employees or lessees, from any CITY property within which the Services are performed. CONTRACTOR's Security shall only be called upon in the event an investigation by Brea Police Department determines that such theft or

conversion was committed by, or with the assistance of, an employee or agent of CONTRACTOR.

6. CONTRACTOR'S LIABILITY: The City of Brea and its officers, agents and employees shall not be answerable or accountable in any manner for any loss or damage that may happen to the work or any part thereof, or for any of the materials or other things used or employed in performing the Services; or for injury or damage to any person or persons, either workmen, employees of the CONTRACTOR or subcontractors or the public, or for damage to adjoining or other property from any cause whatsoever arising out of or in connection with the performance of the Services.

The CONTRACTOR will indemnify, defend and hold the CITY, its elected officials, officers, employees, volunteers, and agents ("Indemnitees") free and harmless with respect to any and all actions, claims, losses, theft, damages to persons or property, penalties, obligations, and/or liabilities that may be asserted or claimed by any person, firm, entity, corporation, political subdivision, or other organization, arising out of or in connection with the Services, or work, operation, or activities of the CONTRACTOR, its agents, employees, subcontractors, or invitees provided for herein, whether or not there is concurrent passive or active negligence on the part of CITY, but excluding such actions, claims, damages to persons or property, penalties, obligations, or liabilities arising from the sole negligence or willful misconduct of any of the Indemnitees, and in connection therewith:

- a. The CONTRACTOR will defend any action or actions filed in connection with any of said claims, damages, penalties, obligations, or liabilities and will pay all costs and expenses, including attorneys' fees incurred in connection therewith.
- b. The CONTRACTOR will promptly pay any judgment rendered against the CONTRACTOR or any of the Indemnitees covering such claims, damages, penalties, obligations, and liabilities arising out of or in connection with such work, operations, or activities of the CONTRACTOR hereunder, and the CONTRACTOR agrees to save and hold the CITY harmless therefrom.
- C. In the event CITY is made a party to any action or proceeding for damages or other claims arising out of or in connection with the Services, work, operation, or activities of the CONTRACTOR hereunder, the CONTRACTOR agrees to pay to CITY any and all costs and expenses incurred by CITY in such action or proceeding together with reasonable attorneys' fees.

So much of the money due to the CONTRACTOR under and by virtue of this Agreement as shall be considered necessary by CITY may be retained by CITY until disposition has been made of such actions or claims for damage.

7. NON-DISCRIMINATION: No discrimination shall be made in the employment of persons upon public works because of the race, color, or religion of such persons, and every contractor for public works violating this section is subject to all the penalties imposed for a violation of Division 2, Part 7, Chapter 1 of the Labor Code in accordance with the provisions of Section 1735 of said Code.

8. CONTRACT PRICE AND PAYMENT: CITY shall pay to the CONTRACTOR for furnishing material and doing the prescribed work the unit price set forth in accordance with Contractor's proposal dated **November 13, 2013**. During the first twelve (12) month period equal installments of **\$26,133.33** will be paid (hereinafter Base Sum), the first such installment to be due and payable on the last day of the month following the first full month during which work was first performed hereunder.

At the beginning of any renewal term, the Base Sum per month is subject to a cost-of-living adjustment. The cost-of-living adjustment shall be set at the beginning of each renewal term in the following manner: The Consumer Price Index for all Urban Consumers (base year 1982-84 = 100) for the Los Angeles-Long Beach-Anaheim area published by the United States Department of Labor, Bureau of Statistics (Index) which is published for the month immediately preceding the adjustment date (Adjustment Index) shall be compared to the Index which was published for the date immediately preceding the beginning of the first twelve (12) month period (Beginning Index). If the Adjustment Index has increased over the Beginning Index, the monthly payment shall be increased by the percentage of increase in the Adjustment Index.

9. TERM; CONTRACT RENEWAL: Unless sooner terminated, the term of this Agreement shall be one (1) year, commencing on May 1, 2014 provided, however, that this Agreement may be extended for up to four (4), one (1) year terms upon agreement of the parties. In order to renew this Agreement for additional one (1) year terms, then at least thirty (30) days prior to the end of each year of the Agreement, CONTRACTOR shall request renewal of this Agreement in writing.

10. NOTICES: All notices required or permitted hereunder shall be deemed delivered to the party to whom notice is sent upon personal delivery thereto at the addresses set forth below, or when placed, postage pre-paid, in the United States mail and addressed as follows:

CONTRACTOR:

US METRO GROUP, INC.
Attn: Mr. Wayne Eames
605 South Wilton Place
Los Angeles, CA 90005

CITY:

Director of Public Works
City of Brea
1 Civic Center Circle
Brea, CA 92621

11. SUPERVISOR DESIGNATION: CONTRACTOR shall provide to CITY's Director of Public Works, upon execution of this Agreement, the name of the individual employed by CONTRACTOR designated as the CONTRACTOR'S primary representative for the supervision and prosecution of the work. Said designated person shall be available, upon 30 minutes notice, to respond personally or by telephone to requests for information or instructions concerning the prosecution of the work from CITY's authorized representatives.

12. TERMINATION: This Agreement may be terminated by CITY without cause, upon the giving of a written "Notice of Termination" to CONTRACTOR at least fifteen (15) days prior to the termination date specified in said notice. CONTRACTOR may terminate this Agreement only for cause. Termination of this Agreement does not release CONTRACTOR from any claims, damages or other liability until CITY acknowledges such release in writing.

13. INTEGRATED AGREEMENT: This Agreement consists of this document and the attached RFP which is incorporated by reference herein. No representation of promise not expressly set forth herein shall be binding or have any force or effect.

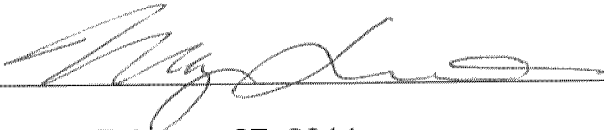
14. ATTORNEYS' FEES: In The event that any action or proceeding is brought by either party to enforce any term or provision of this Agreement, the prevailing party shall recover its reasonable attorneys' fees and costs incurred with respect thereto.

15. GOVERNING LAW AND VENUE: The provisions of this Agreement shall be governed by the laws of the State of California. Venue for any action relating to this Agreement shall be the Superior Court of the County of Orange, California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the latest date first set forth below.

CONTRACTOR

1




Date: February 27, 2014

By: VP of Operations
Title

CITY OF BREA, CALIFORNIA

By: 

Mayor

By: 

City Clerk

Date: _____

Contractor's Business Phone: 213) 382-6435

Emergency Phone at which CONTRACTOR can be reached
at any time: 866) 287-6387



USMETROGRO

SINSA1

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/21/2014

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 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 License # 0564249 Heffernan Insurance Brokers 6 Hutton Centre Drive, Suite 500 Santa Ana, CA 92707	CONTACT NAME:	
	PHONE (A/C, No, Ext): 1 (714) 361-7700	FAX (A/C, No): 1 (714) 361-7701
INSURED US Metro Group, Inc. 605 S. Wilton Place Los Angeles, CA 90005	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Columbia Casualty Company	
	INSURER B: Torus National Insurance Company	
	INSURER C: The Hanover Insurance Group, Inc.*	
	INSURER D:	
INSURER E:		
INSURER F:		


COVERAGES**CERTIFICATE NUMBER:****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 INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4013970704	11/20/2013	11/20/2014	EACH OCCURRENCE
	DAMAGE TO RENTED PREMISES (Ea occurrence)						
	MED EXP (Any one person)						
	PERSONAL & ADV INJURY						
	GENERAL AGGREGATE						
	PRODUCTS - COMP/OP AGG						
	GEN'L AGGREGATE LIMIT APPLIES PER:						
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
	COMMERCIAL GENERAL LIABILITY						<input checked="" type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR
	COMBINED SINGLE LIMIT (Ea accident)						\$
B	UMBRELLA LIAB	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	82807E131ALI	11/20/2013	11/20/2014	EACH OCCURRENCE
	EXCESS LIAB						<input checked="" type="checkbox"/> CLAIMS-MADE
	DED <input checked="" type="checkbox"/> RETENTION \$						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						<input checked="" type="checkbox"/> Y / N
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						<input type="checkbox"/> N / A
	If yes, describe under DESCRIPTION OF OPERATIONS below						
	WC STATUTORY LIMITS						<input type="checkbox"/> OTH-ER
	E.L. EACH ACCIDENT						\$
	E.L. DISEASE - EA EMPLOYEE						\$
	E.L. DISEASE - POLICY LIMIT						\$
C	Crime	<input type="checkbox"/>	<input type="checkbox"/>	BD3-1016332	10/1/2013	10/1/2014	2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Re: As Per Contract or Agreement on File with Insured. The City of Brea, its elected officials, officers, employees, attorneys and agents, and any other parties including subcontractors are named as additional insured on the general liability policy per attached endorsement. Waiver of subrogation applies to general liability policy. The insurance is primary and non-contributory per attached endorsement. Umbrella follows form of primary.

CERTIFICATE HOLDER**CANCELLATION**

Director of Public Works City of Brea 1 Civic Center Circle Brea, CA 92821	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 

© 1988-2010 ACORD CORPORATION. All rights reserved.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

**Name Of Additional Insured Person(s)
Or Organization(s):**

Location(s) Of Covered Operations

The City of Brea, its elected officials, officers,
employees, attorneys and agents, and any
other parties including subcontractors

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:

The City of Brea, its elected officials, officers, employees, attorneys and agents,
and any other parties including subcontractors

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard." This waiver applies only to the person or organization shown in the Schedule above.



Primary and Non-Contributory Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCT/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The insurance provided by this endorsement will be primary insurance where required by written contract with the additional insured, and any other insurance available to the additional insured shall be excess and will not contribute with the coverage provided by this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
The City of Brea, its elected officials, officers, employees, attorneys and agents, and any other parties including subcontractors

Location(s) Of Covered Operations

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work"

at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard."



HCC

U. S. Specialty Insurance Company
601 S. Figueroa Street, Suite 1600, Los Angeles, California 90017
main 310 649 0990 facsimile 310 649 0416

Bond No. 1001000604
Premium: \$ 7,410.00

Public Works – Performance

KNOW ALL MEN BY THESE PRESENTS, That we, U.S. METRO GROUP, INC., as Principal, and U. S. SPECIALTY INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Texas, and authorized to transact a general surety business in the State of TEXAS, as Surety, are held and firmly bound unto CITY OF BREA - DEPT. OF PUBLIC WORKS, as Obligee, in the sum of TWO HUNDRED NINETY SIX THOUSAND FOUR HUNDRED AND NO/100***** Dollars (\$ 296,400.00), lawful money of the United States of America, for the payment whereof, well and truly to be made, we hereby bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that

WHEREAS, the above-bounden Principal has entered into a contract dated FEBRUARY 27, 2014 with said Obligee to do and perform the following work, to wit:

ABSTRACT CUSTODIAL/HOUSEKEEPING SERVICES

NOW, THEREFORE, if the above-bounden Principal shall well and truly perform or cause to be performed, the construction work under the contract, then this bond shall be null and void; otherwise it shall remain in full force and effect.


Signed, sealed and dated this 25TH day of MARCH, 2014.

U.S. METRO GROUP, INC.

Principal

By 

U. S. SPECIALTY INSURANCE COMPANY


ADAM FEINBERG

Attorney-in-Fact

ACKNOWLEDGMENT

State of California
County of Los Angeles)

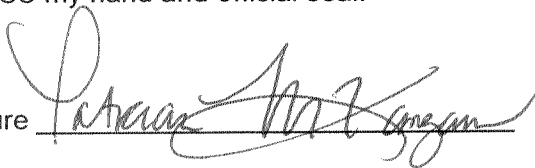
On March 25, 2014 before me, Patricia M. Kanegawa, Notary Public
(insert name and title of the officer)

personally appeared ADAM FEINBERG
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.

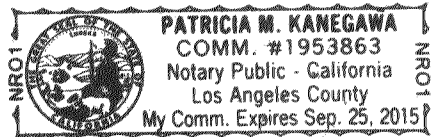
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)





U.S. Specialty Insurance Company
601 S. Figueroa Street, Suite 1600, Los Angeles, California 90017
main 310 649 0990 facsimile 310 649 0416

Bond No. 1001000604
Premium: \$ Include in Performance Bond

Public Works – Payment

KNOW ALL MEN BY THESE PRESENTS, That we, U.S. METRO GROUP, INC., as Principal, and **U. S. SPECIALTY INSURANCE COMPANY**, a Corporation organized and existing under the laws of the State of Texas, and authorized to transact a general surety business in the State of TEXAS, as Surety, are held and firmly bound unto CITY OF BREA - DEPT. OF PUBLIC WORKS, as Obligee, in the sum of TWO HUNDRED NINETY SIX THOUSAND FOUR HUNDRED AND NO/100***** Dollars (\$ 296,400.00), lawful money of the United States of America, for the payment whereof, well and truly to be made, we hereby bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that

WHEREAS, the above-bounden Principal has entered into a contract dated FEBRUARY 27, 2014 with said Obligee to do and perform the following work, to wit:

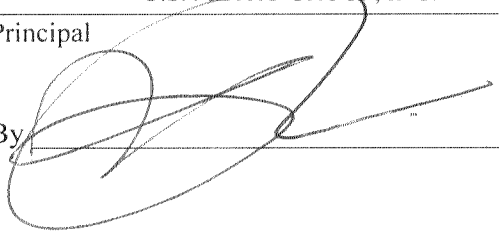
ABSTRACT CUSTODIAL/HOUSEKEEPING SERVICES

NOW, THEREFORE, if the above-bounden Principal shall faithfully pay all laborers, mechanics, subcontractors, materialmen and all persons who shall supply such person or persons, or subcontractors, with materials and supplies for the carrying on of such work, then this bond shall be null and void; otherwise it shall remain in full force and effect.

Signed, sealed and dated this 25TH day of MARCH, 2014.

U.S. METRO GROUP, INC.

Principal

By: 

U. S. SPECIALTY INSURANCE COMPANY


ADAM FEINBERG

Attorney-in-Fact

ACKNOWLEDGMENT

State of California
County of Los Angeles

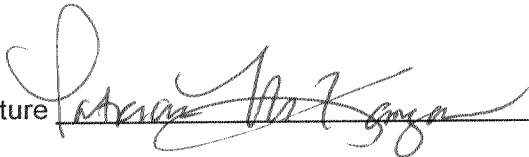
On March 25, 2014 before me, Patricia M. Kanegawa, Notary Public
(insert name and title of the officer)

personally appeared ADAM FEINBERG,
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



(Seal)



POWER OF ATTORNEY

AMERICAN CONTRACTORS INDEMNITY COMPANY TEXAS BONDING COMPANY
UNITED STATES SURETY COMPANY U.S. SPECIALTY INSURANCE COMPANY

KNOW ALL MEN BY THESE PRESENTS: That American Contractors Indemnity Company, a California corporation, Texas Bonding Company, an assumed name of American Contractors Indemnity Company, United States Surety Company, a Maryland corporation and U.S. Specialty Insurance Company, a Texas corporation (collectively, the "Companies"), do by these presents make, constitute and appoint:

Frank Mester, Porntip Tah Carazza, Michael Chalekson, Kathy Ho or Adam Feinberg of Los Angeles, California

its true and lawful Attorney(s)-in-fact, each in their separate capacity if more than one is named above, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver **any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed** *****Three Million***** Dollars (\$ **3,000,000.00**).

This Power of Attorney shall expire without further action on December 8, 2016. This Power of Attorney is granted under and by authority of the following resolutions adopted by the Boards of Directors of the Companies:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and on behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings, including any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts, and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, The Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 10th day of December, 2012.

AMERICAN CONTRACTORS INDEMNITY COMPANY TEXAS BONDING COMPANY
UNITED STATES SURETY COMPANY U.S. SPECIALTY INSURANCE COMPANY

Corporate Seals



By:


Daniel P. Aguilar, Vice President

State of California

County of Los Angeles SS:

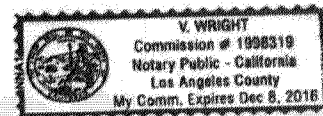
On 10th day of December, 2012, before me, Vanessa Wright, a notary public, personally appeared Daniel P. Aguilar, Vice President of American Contractors Indemnity Company, Texas Bonding Company, United States Surety Company and U.S. Specialty Insurance Company who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature 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



(Seal)




I, Jeannie Lee, Assistant Secretary of American Contractors Indemnity Company, Texas Bonding Company, United States Surety Company and U.S. Specialty Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Companies, which is still in full force and effect; furthermore, the resolutions of the Boards of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seals of said Companies at Los Angeles, California this 25th day of March, 2014.

Corporate Seals

Bond No. 1001000604
Agency No. 9012




Jeannie Lee, Assistant Secretary

AMENDMENT NO. 1 TO AGREEMENT
Janitorial and Related Services at Various City Facilities

This Amendment No. 1 to Agreement for janitorial and related services at various City facilities is made and entered into this ____ day of _____ 2017, by and between **US METRO GROUP, INC.** ("CONTRACTOR") and the **CITY OF BREA** (hereinafter called the "CITY").

A. Recitals

(i) CITY and CONTRACTOR have previously entered into an agreement dated **March 6, 2014** for janitorial and related services at various City facilities ("Agreement"); and

(ii) The parties hereto desire to amend the Agreement to provide for cost of living price adjustments beginning with each renewal term; and

(iii) The parties hereto desire to amend the Agreement with respect to the start date of each renewal term of the Agreement.

B. Amendment

NOW, THEREFORE, it is agreed by and between CITY and CONTRACTOR as follows:

1. The second paragraph of Subsection "8" of Section "B" of the Agreement is hereby amended to read as follows:

"At the beginning of each renewal term, the annual contract price shall be as set forth in Attachment "A" hereto and incorporated by reference herein. The monthly payments shall be made in equal installments pursuant to the schedule set forth in Attachment "A" hereto."

2. Subsection "9" of Section "B" is hereby amended by adding a paragraph at the end, to read as follows:

"The Third, Fourth, and Fifth one year term extensions shall begin on July 1 of each year pursuant to the schedule set forth in Attachment "A" hereto."

3. This Amendment No. 1 shall be effective as of the date first set forth above, and shall continue in full force and effect until expiration or termination pursuant to the terms of this Agreement.

4. Except as expressly amended herein, all terms and conditions of the Agreement shall continue in full force and effect.

5. Each person executing this Amendment No. 1 hereby warrants that such person is fully authorized by law to do so and to legally and fully bind their principal and respective party.

IN WITNESS WHEREOF, the parties have executed this Amendment No.1 as of the date first set forth above.

CITY OF BREA
A California municipal corporation

CONTRACTOR

Cecilia Hupp, Mayor

Name, Title

Attest: Lillian Harris-Neal, City Clerk

Two Signatures required if Corporation

ATTACHMENT "A"
CONTRACT PRICE SCHEDULE

ATTACHMENT A

Amendment No. 1 Contract Price Schedule

Agreement Name: Janitorial and Related Services at Various City Facilities.

Contractor: U.S. Metro Group, Inc.

Agreement Date: April 6, 2014

Annual Agreement Price Schedule

Term	Beginning Date	Ending Date	Monthly Installment	Total Price
1 st Base Term	May 1, 2014	April 30, 2015	\$26,133.33	\$313,599.96
2 nd	May 1, 2015	April 30, 2016	\$28,024.33	\$336,291.33
3 rd	July 1, 2016	June 30, 2017	\$30,597.01	\$367,164.06
4 th	July 1, 2017	June 30, 2018	\$32,018.88	\$384,226.56
5 th	July 1, 2018	June 30, 2019	\$33,659.51	\$403,914.06

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: City Manager

DATE: 03/28/2017

SUBJECT: Authorization for the Successor Agency to the Brea Redevelopment Agency for the Issuance and Sale of Tax Allocation Refunding Bonds to Refinance Outstanding 2003 Tax Allocation Bonds and 2011 Tax Allocation Bonds, Series A and Taxable Series B of the Former Brea Redevelopment Agency, Relating to Project Area AB; Requesting Certain Actions and Findings by the Oversight Board and Approving Related Matters

RECOMMENDATION

Adopt the Resolution.

BACKGROUND/DISCUSSION

Pursuant to Assembly Bill (AB) 1484, successor agencies are permitted to refinance debt obligations of the former redevelopment agencies. Conditions subject to refinancing of these debt obligations would be the reduction in the annual debt payments; that no new debt be created; and that the term of the refunding bonds shall be the same as that of the debt proposed to be refinanced. Staff has identified such an opportunity which is presented in this staff report. In December 2013, Staff had previously refinanced outstanding Tax Allocation Bonds ("TABs") of the former Brea Redevelopment Agency secured by Project Area AB revenues. In November 2016, Staff had previously refinanced outstanding Tax Allocation Bonds of the former Brea Redevelopment Agency, secured by Project Area C revenues.

In July 2003, the Brea Redevelopment Agency issued \$120,497,866 in Project Area AB Tax Allocation Bonds. The proceeds were used to fund redevelopment projects and refund the 1993 TABs. Currently, the outstanding balance on the 2003 Tax Allocation Bonds available for refunding is \$14,180,000 (current interest bonds only). In June 2011, the Brea Redevelopment Agency issued \$18,839,323 in Project Area AB Tax Allocation Bonds Series A and \$10,295,000 Taxable Tax Allocation Housing Bonds Series B. The proceeds were used to fund Redevelopment Projects (Non-Housing and Housing) and refund the 2001 TABs. Currently, the outstanding balance on the 2011 Tax Allocation Bonds Series A and B available for refunding is \$33,224,736.

Assembly Bill (AB 1484) permits successor agencies to refund outstanding bonds and other obligations a former redevelopment agency if such refunding results in savings which benefit the taxing entities. The Debt Service Savings Analysis indicates that the refinancing of the outstanding bonds will produce an average annual reduction in bond payments of \$1,475,914. The same reduction in annual bond payments frees up additional property tax revenues for distribution to affected taxing entities. This will result in an annual increase to the City of approximately \$182,570 based on current market conditions, subject to change. The following is a summary of the savings for each bond issue:

Bonds	Current Average Annual Debt Service	New Average Annual Debt Service	Total Average Annual Savings	Annual Distribution to the City
2003	\$1,682,173	\$1,522,274	\$159,900	\$19,779
2011	\$3,897,544	\$2,581,529	\$1,316,014	\$162,791
TOTAL	\$5,579,717	\$4,103,803	\$1,475,914	\$182,570

The first step in moving forward with the refunding bonds requires the Successor Agency to adopt the attached resolution which includes the Debt Service Savings Analysis, directing the Successor Agency to undertake proceedings for the proposed refunding of the outstanding bonds, approve the required legal documents and authorize all of the necessary actions relating to the proposed refinancing hiring bond counsel and other professional services and directing City officials to execute related documents.

Subsequent to adoption of the resolution by the Successor Agency, the Oversight Board has a meeting scheduled for April 14, 2017 for their consideration of adoption of the required resolution accompanied by the Successor Agency Resolution. Once the Oversight Board has approved their resolution, the next step is to forward the Oversight Board Resolution and the Successor Agency Resolution with all attachments to the California Department of Finance (DOF) who has up to sixty days to approve the Oversight Board Resolution. Staff will be requesting an expedited review of the Oversight Board Resolution by the DOF.

The final step will occur after the DOF approves the Oversight Board Resolution. Thereafter, the Successor Agency will adopt a resolution approving the Preliminary Official Statement (bond offering document) and other related bond documents. Based on the current schedule, staff anticipates this action would be scheduled for Successor Agency consideration on May 16, 2017.

SUMMARY/FISCAL IMPACT

The Successor Agency has a total of \$47,404,736.40 in outstanding 2003 and 2011 Project Area AB Tax Allocation Bonds. Staff is recommending that the Successor Agency refinance the outstanding bonds in order to reduce the average annual bond payments by \$1,475,914, resulting in a corresponding annual increase in property tax revenues to affected taxing entities. This will result in an average annual increase of approximately \$182,570 in property tax revenues to the City's General Fund. These are estimated savings based on current market conditions and subject to change.

RESPECTFULLY SUBMITTED

Bill Gallardo, City Manager

Prepared by: Lee Squire, Fiscal Services Manager

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Resolution

Debt Service Savings Report

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA, AS THE SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY, AUTHORIZING 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, REQUESTING CERTAIN ACTIONS AND FINDINGS BY OVERSIGHT BOARD, AND APPROVING RELATED MATTERS

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (the "Code"), the Brea Redevelopment Agency (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173 of the Code, the City Council of the City of Brea, adopted Resolution No. 2011-085 on September 6, 2011, and elected to serve as the successor entity to the Former Agency (the "Successor Agency"); and

WHEREAS, in order to provide financing for the Redevelopment Project Area AB, the Former Agency has previously issued the following bonds:

- (a) the Brea Redevelopment Agency 2003 Tax Allocation Bonds (Redevelopment Project AB) issued in the aggregate principal amount of \$120,497,865.90 (the "2003 Bonds"),
- (b) the Brea Redevelopment Agency 2011 Tax Allocation Bonds, Series A (Redevelopment Project AB) in the aggregate principal amount of \$18,839,323.25 (the "2011 Series A Bonds"), and
- (c) the Brea Redevelopment Agency 2011 Taxable Tax Allocation Housing Bonds, Series B (Redevelopment Project AB) in the aggregate principal amount of \$10,295,000 (the "2011 Series B Bonds"); and

WHEREAS, the Successor Agency has previously issued its \$96,620,000 aggregate principal amount of Successor Agency To The Brea Redevelopment Agency Redevelopment Project AB 2013 Tax Allocation Refunding Bonds, the proceeds of which have been applied to refund a portion of the 2003 Bonds, consisting of the 2003 Bonds which were issued as current interest bonds maturing on August 1 in each of the years 2014 through 2022, inclusive, and in each of the years 2024 through 2026, inclusive, which 2003 Bonds have been redeemed and are no longer outstanding; and

WHEREAS, as provided in Section 34177.5(a)(1) of the Code, the Successor Agency is authorized to issue its bonds for the purpose of refunding the outstanding 2003 Bonds which constitute current interest bonds, the outstanding 2011 Series A Bonds and the outstanding 2011 Series B Bonds (collectively, the "Prior Bonds"), in whole or in part, under Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Bond Law"), provided that the total interest

cost to maturity on the refunding bonds plus the principal amount of the refunding bonds does not exceed the total remaining interest cost to maturity on the Prior Bonds to be refunded plus the remaining principal of the Prior Bonds to be refunded (the "Minimum Savings Threshold"); and

WHEREAS, pursuant to Section 34179 of the Code, an oversight board (the "Oversight Board") has been established for the Successor Agency and the Successor Agency has determined to request that the Oversight Board direct the Successor Agency to undertake proceedings for the issuance of one or more series of tax-exempt and taxable refunding bonds for Redevelopment Project AB (the "Refunding Bonds") under the Refunding Bond Law for the purpose of refunding all or a portion of the Prior Bonds, provided that the Minimum Savings Threshold is achieved with respect to the refunding of the Prior Bonds as set forth in Section 34177.5(a)(1) of the Code, it being understood that such direction by the Oversight Board will enable the Successor Agency to recover its related costs in connection with such refunding proceedings as authorized by Section 34177.5(f) of the Code; and

WHEREAS, the Successor Agency has also determined to request that the Oversight Board approve the issuance, sale and delivery of the Refunding Bonds by the Successor Agency, as authorized by Section 34177.5(f) of the Code, and that the Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance, sale and delivery of the Refunding Bonds; and

WHEREAS, the Successor Agency has caused an analysis to be made of the potential savings that will accrue to the Successor Agency and other affected taxing entities as a result of such refunding (the "Debt Service Savings Analysis") and has determined to present the Debt Service Savings Analysis to the Oversight Board for its consideration; and

WHEREAS, following the action by the Oversight Board approving the issuance of the Refunding Bonds and upon approval by the California Department of Finance, the Successor Agency intends to approve the final form of an Official Statement and other financing documents relating to the Refunding Bonds;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brea, as the Successor Agency to the Brea Redevelopment Agency, as follows:

Section 1. Determination of Savings. The Successor Agency has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities and that the Minimum Savings Threshold can be achieved by the issuance by the Successor Agency of the Refunding Bonds to provide funds to refund all or a portion of the Prior Bonds, as evidenced by the Debt Service Savings Analysis on file with the Secretary of the Successor Agency, which is hereby approved.

Section 2. Request for Direction; Findings. The Oversight Board is hereby requested to direct the Successor Agency to undertake such refunding proceedings pursuant to Section 34177.5(a)(1) of the Code for the issuance, sale and delivery of the Refunding Bonds.

Section 3. Approval of Issuance of the Refunding Bonds. The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds under the Refunding Bond Law in the aggregate principal amount of not to exceed \$55,000,000 for the purpose of providing funds to refund all or a portion of the Prior Bonds. The Refunding Bonds may be issued in one or more series of bonds which are issued at the same or different times, and may consist of tax-exempt bonds, taxable bonds or any combination thereof. The Refunding Bonds are hereby authorized to be issued in the form of current interest bonds, capital appreciation bonds, convertible capital appreciation bonds, or any combination thereof. Any series of Refunding Bonds shall only be issued to refund the Prior Bonds, in whole or in part, in the event that the Minimum Savings Threshold set forth in Section 34177.5(a)(1) of the Code is met with respect to such refunding.

Section 4. Indenture of Trust. The Successor Agency hereby approves the Indenture of Trust (the "Indenture") between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, prescribing the terms and provisions of the Refunding Bonds and the application of the proceeds of the Refunding Bonds. The Mayor of the City (or, in the Mayor's absence, the Mayor Pro Tem of the City) and the City Manager of the City, who is appointed the Executive Director of the Successor Agency (collectively, the "Authorized Officers"), each acting individually, are hereby authorized and directed to execute and deliver, and the City Clerk (or the Deputy City Clerk) is hereby authorized and directed to attest to, the Indenture for and in the name and on behalf of the Successor Agency, in substantially the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer who executes the Indenture shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of the Indenture.

Section 5. Escrow Agreement. The Successor Agency hereby approves the Escrow Agreement (the "Escrow Agreement") between the Successor Agency, and The Bank of New York Mellon Trust Company, N.A., as escrow agent, prescribing the provisions for refunding all or a portion of the Prior Bonds. Each Authorized Officer, acting individually, is hereby authorized and directed to execute and deliver the Escrow Agreement for and in the name and on behalf of the Successor Agency, in substantially the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto as the Mayor (or the Mayor Pro Tem, as the case may be) shall approve, such approval to be conclusively evidenced by the execution and delivery of the Escrow Agreement. The Successor Agency hereby authorizes the delivery and performance of the Escrow Agreement.

Section 6. Sale of Refunding Bonds; Bond Purchase Agreement. The Successor Agency hereby approves the sale of the Refunding Bonds on a negotiated basis to Stifel Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"). The Refunding Bonds shall be sold to the Underwriter pursuant to the Bond Purchase Agreement (the "Bond Purchase Agreement") between the Successor Agency and Underwriter in substantially the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto as the Administrative Services Director of the City, who is appointed the Assistant Treasurer of the Successor Agency, shall approve, such approval to be conclusively evidenced by the execution and delivery thereof. Each Authorized Officer and the Assistant Treasurer of the Successor Agency, acting individually, are hereby authorized and directed to execute and deliver the Bond Purchase Agreement for and in the name and on behalf of the Successor Agency. The Successor

Agency hereby authorizes the delivery and performance of the Bond Purchase Agreement.

Section 7. Further Approvals. Following the action by the Oversight Board approving the issuance of the Refunding Bonds and upon approval by the California Department of Finance, the Successor Agency intends to approve the final form of an Official Statement and other financing documents relating to the Refunding Bonds, and to take such further actions as may be required to implement the issuance, sale and delivery of the Refunding Bonds.

Section 8. Oversight Board Approval of the Issuance of the Refunding Bonds. The Successor Agency hereby requests that the Oversight Board approve the issuance, sale and delivery of the Refunding Bonds under this Resolution and the Indenture, the Escrow Agreement and the Bond Purchase Agreement, as above described.

Section 9. Filing of this Resolution. The Successor Agency Secretary is hereby authorized and directed to file a certified copy of this Resolution with the Oversight Board, together with the Debt Service Savings Analysis, and, as provided in Section 34180(j) of the Code, with the Orange County Administrative Officer, the Orange County Auditor-Controller and the California Department of Finance.

Section 10. Determinations by the Oversight Board. The Successor Agency requests that the Oversight Board make the determination that the authorization and sale of the Refunding Bonds, and the application of proceeds thereof to the refunding of all or a portion of the Prior Bonds and the payment of costs of issuance, as provided in the Indenture and authorized by §34177.5(a) of the Code, shall be implemented by the Successor Agency, notwithstanding any other provision of law to the contrary, without the requirement for further approval from the Oversight Board, the California Department of Finance, the Orange County Auditor-Controller or any other person or entity other than the Successor Agency. The Successor Agency shall rely on such determination in undertaking the refunding proceedings and the issuance, sale and delivery of the Refunding Bonds.

Section 11. Engagement of Professional Services. In connection with the issuance and sale of the Refunding Bonds, the Successor Agency hereby authorizes the engagement of the services of Fieldman Rolapp & Associates to act as financial advisor to the Successor Agency, and the firm of Jones Hall, A Professional Law Corporation, to act as bond counsel to the Successor Agency. The Mayor of the City, the Executive Director of the Successor Agency and the Assistant Treasurer of the Successor Agency, each acting individually, are hereby authorized and directed to execute an agreement with each such firm, in the respective forms on file with the City Clerk. The use of the Richards Watson & Gershon, A Professional Corporation as disclosure counsel, and Keyser Marston Associates as fiscal consultant, in connection with the Refunding Bonds, under the terms of the existing contracts with such firms, is hereby approved and affirmed.

Section 12. Official Actions. The officers of the City, acting as Successor Agency, are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance. Whenever in this

Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 13. Effective Date. This Resolution shall take effect from and after its passage and adoption.

PASSED AND ADOPTED this 4th day of April, 2017, by the following vote:

AYES:

NOES:

ABSENT:

Mayor

ATTEST:

City Clerk

DEBT SERVICE SAVINGS ANALYSIS REPORT

Successor Agency to the Brea Redevelopment Agency
Redevelopment Project AB 2017 Tax Allocation Refunding Bonds
Series A (Tax-Exempt) and Series B (Taxable)

	2003A TAB AA- Underlying, Surety ⁽¹⁾⁽²⁾	2011A TAB (CAB Portion) AA- Underlying, Surety ⁽¹⁾⁽²⁾	2011A TAB (CIB Portion) AA- Underlying, Surety ⁽¹⁾⁽²⁾	2011B TAB AA- Underlying, Surety ⁽¹⁾⁽²⁾	Total
Refunding Bond Amount	\$14,255,000	\$19,070,020	\$3,110,000	\$10,905,000	\$47,340,020
Par Refunded	\$16,475,000	\$14,430,651	\$4,315,000	\$9,940,000	\$45,160,651
Final Maturity	8/1/2032	8/1/2036	8/1/2031	8/1/2029	8/1/2036
Average Coupon of Refunded Bonds	4.45%	7.53%	5.00%	7.16%	5.98%
Average Coupon of Refunding Bonds	5.00%	N/A	5.00%	3.61%	N/A
True Interest Cost (effective rate)	3.25%	4.61%	3.63%	3.60%	4.00%
Net Present Value Savings (\$)	\$1,551,341	\$5,192,250	\$52,097	\$401,674	\$7,197,362
Present Value Savings (%)	9.42%	23.43%	1.21%	4.04%	13.61%
Nominal Savings (\$)	\$2,398,494	\$21,766,679	\$2,034,678	\$1,842,519	\$28,042,370
Average Annual Savings* (\$)	\$159,900	\$1,145,615	\$145,334	\$153,543	\$1,475,914
Taxing Entities Share of Average Annual Savings:					
Brea City	\$19,779	\$141,712	\$17,978	\$18,993	\$182,570
Fullerton City	\$1,046	\$7,491	\$950	\$1,004	\$9,651
Orange County Vector Control District	\$173	\$1,238	\$157	\$166	\$1,595
Orange County Transit Authority	\$434	\$3,111	\$395	\$417	\$4,008
Orange County Sanitation Gen. Fund	\$4,777	\$34,224.44	\$4,342	\$4,587	\$44,092
Fullerton Elementary Gen. Fund	\$14	\$98	\$12	\$13	\$126
Fullerton Union High Gen. Fund	\$1,524	\$10,920	\$1,385	\$1,464	\$14,069
Brea Olinda Unified Gen. Fund	\$59,360	\$425,290	\$53,953	\$57,000	\$547,908
Placentia Yorba Linda Unified	\$7,508	\$53,795	\$6,824	\$7,210	\$69,304
La Habra Elementary Gen. Fund	\$1,985	\$14,224	\$1,804	\$1,906	\$18,324
North Orange County Community College Gen. Fund	\$10,798	\$77,360	\$9,814	\$10,368	\$99,664
Orange County Dept. of Education Gen. Fund	\$5,737	\$41,107	\$5,215	\$5,509	\$52,958
Orange County Gen. Fund	\$9,444	\$67,661	\$8,584	\$9,068	\$87,169
Orange County Public Library	\$2,579	\$18,480	\$2,344	\$2,477	\$23,809
Orange County Flood Control District	\$3,059	\$21,919	\$2,781	\$2,938	\$28,239
Orange County Parks CSA 26	\$2,365	\$16,943	\$2,149	\$2,271	\$21,828
ERAF	\$29,317	\$210,042	\$26,646	\$28,151	\$270,601
Total	\$159,900	\$1,145,615	\$145,334	\$153,543	\$1,475,914

*Average Annual Savings for each series are calculated as "Nominal Savings divided by number of years with principal outstanding for each series". Amount will not add up to the Total Average

(1) Assumes Closing Date of 6/29/2017, Market Conditions as of 3/15/2017

(2) Refunding assumes Surety at 2.5%

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Successor Agency to the Brea Redevelopment Agency
2017 Tax Allocation Bonds
Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

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SOURCES AND USES OF FUNDS

Successor Agency to the Brea Redevelopment Agency
2017 Tax Allocation Bonds
Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Sources:	Refunding 2003 TABs	Refunding 2011 Series A TABs (CAB Portion)	Refunding 2011 Series A TABs (CIB Portion)	Refunding 2011 Series B TABs	Total
Bond Proceeds:					
Par Amount	14,255,000.00	19,070,019.60	3,110,000.00	10,905,000.00	47,340,019.60
Premium	2,450,577.90	609,825.10	467,744.00		3,528,147.00
	<u>16,705,577.90</u>	<u>19,679,844.70</u>	<u>3,577,744.00</u>	<u>10,905,000.00</u>	<u>50,868,166.60</u>
Other Sources of Funds:					
August 1, 2017 Payment	366,568.75	95,000.00	107,875.00	449,582.60	1,019,026.35
Prior DSRF		1,619,774.33	264,158.00	1,029,500.00	2,913,432.33
Unexpended Proceeds		6,320,278.80	1,030,731.35		7,351,010.15
	<u>366,568.75</u>	<u>8,035,053.13</u>	<u>1,402,764.35</u>	<u>1,479,082.60</u>	<u>11,283,468.83</u>
	17,072,146.65	27,714,897.83	4,980,508.35	12,384,082.60	62,151,635.43
Uses:					
Refunding Escrow Deposits:					
Cash Deposit	0.44	0.59	0.92	0.35	2.30
SLGS Purchases	16,826,846.00	27,390,107.00	4,925,518.00	12,195,947.00	61,338,418.00
	<u>16,826,846.44</u>	<u>27,390,107.59</u>	<u>4,925,518.92</u>	<u>12,195,947.35</u>	<u>61,338,420.30</u>
Delivery Date Expenses:					
Cost of Issuance	204,375.83	273,409.41	44,588.48	156,346.44	678,720.16
Surety Reserve Fund (250 bps)	38,293.49	51,228.17	8,354.45	29,294.31	127,170.42
	<u>242,669.32</u>	<u>324,637.58</u>	<u>52,942.93</u>	<u>185,640.75</u>	<u>805,890.58</u>
Other Uses of Funds:					
Additional Proceeds	2,630.89	152.66	2,046.50	2,494.50	7,324.55
	17,072,146.65	27,714,897.83	4,980,508.35	12,384,082.60	62,151,635.43

Notes:

The financing was evaluated at interest rates as of 3/15/17 and tax-exempt spreads to the generic 'AAA' municipal yield index ('MMD') of +10 bps in 2018 and increasing +45 bps in 2036. The refunding of the taxable 2011 Series B bonds was done at taxable spreads to comparable treasuries of +30bps in 2018 and increasing to +170 bps in 2029. With respect to the convertible capital appreciation bond interest rates, the financing was evaluated at interest rate spreads to MMD of +75 basis points beginning in 2018, increasing to +180 basis points in 2036.

These spreads are representative of what similarly sized, tax allocation bond credits with underlying credit characteristics similar to the Successor Agency's project area have priced at or traded in the days right ahead of such analysis but in no way does Stifel guarantee the pricing results. Stifel has assumed an underlying AA- rating for the Bonds based on the current bond rating.

Assumptions:

- 1) Refunding bonds have been structured with a 2.5% surety reserve fund (per recent surety reserve funds on similarly rated deals).
- 4) Debt service has been structured to produce proportional annual savings with the same final maturity as the refunded bonds.
- 5) Dated date of 6/29/2017, cost of issuance includes an allowance for the underwriter's discount.

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Brea Redevelopment Agency
 2017 Tax Allocation Bonds
 Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

	Refunding 2003 TABs	Refunding 2011 Series A TABs (CAB Portion)	Refunding 2011 Series A TABs (CIB Portion)	Refunding 2011 Series B TABs	Total
Dated Date	06/29/2017	06/29/2017	06/29/2017	06/29/2017	06/29/2017
Delivery Date	06/29/2017	06/29/2017	06/29/2017	06/29/2017	06/29/2017
Arbitrage Yield	3.784878%	3.784878%	3.784878%	3.784878%	3.784878%
Escrow Yield	0.760655%	1.931247%	1.910835%	1.891182%	1.909364%
Value of Negative Arbitrage	41,878.87	1,903,271.07	325,062.17	770,079.89	3,040,292.00
Bond Par Amount	14,255,000.00	19,070,019.60	3,110,000.00	10,905,000.00	47,340,019.60
True Interest Cost	3.253663%	4.605614%	3.626767%	3.597186%	4.000027%
Net Interest Cost	3.571775%		3.932492%	3.611358%	
Average Coupon	5.000000%		5.000000%	3.611358%	
Average Life	12.037	14.660	14.089	8.060	12.312
Par amount of refunded bonds	16,475,000.00	14,430,651.35	4,315,000.00	9,940,000.00	45,160,651.35
Value of refunded bonds on delivery date		22,163,856.60			52,893,856.60
Average coupon of refunded bonds	4.450000%	7.528281%	5.000000%	7.155983%	5.976961%
Average life of refunded bonds	12.034	11.655	14.089	8.637	11.362
PV of prior debt	17,821,662.50	35,026,815.95	4,972,044.86	12,642,330.91	70,462,854.21
Net PV Savings	1,551,341.19	5,192,249.52	52,097.32	401,673.91	7,197,361.94
Percentage savings of refunded bonds	9.416335%	23.426652%	1.207354%	4.040985%	13.607179%
Percentage savings of refunding bonds	10.882786%	27.227290%	1.675155%	3.683392%	15.203547%

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Brea Redevelopment Agency
2017 Tax Allocation Bonds
Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Notes:

The financing was evaluated at interest rates as of 3/15/17 and tax-exempt spreads to the generic 'AAA' municipal yield index ('MMD') of +10 bps in 2018 and increasing +45 bps in 2036. The refunding of the taxable 2011 Series B bonds was done at taxable spreads to comparable treasuries of +30bps in 2018 and increasing to +170 bps in 2029. With respect to the convertible capital appreciation bond interest rates, the financing was evaluated at interest rate spreads to MMD of +75 basis points beginning in 2018, increasing to +180 basis points in 2036. These spreads are representative of what similarly sized, tax allocation bond credits with underlying credit characteristics similar to the Successor Agency's project area have priced at or traded in the days right ahead of such analysis but in no way does Stifel guarantee the pricing results. Stifel has assumed an underlying AA- rating for the Bonds based on the current bond rating.

Assumptions:

- 1) Refunding bonds have been structured with a 2.5% surety reserve fund (per recent surety reserve funds on similarly rated deals).
- 4) Debt service has been structured to produce proportional annual savings with the same final maturity as the refunded bonds.
- 5) Dated date of 6/29/2017, cost of issuance includes an allowance for the underwriter's discount.

SAVINGS

Successor Agency to the Brea Redevelopment Agency
2017 Tax Allocation Bonds
Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 06/29/2017 @ 3.7848776%
08/01/2017	1,019,026.35	1,019,026.35				
08/01/2018	2,093,312.70		2,093,312.70	1,867,378.79	225,933.91	216,422.76
08/01/2019	2,097,810.70		2,097,810.70	1,789,629.50	308,181.20	286,742.27
08/01/2020	2,091,390.00		2,091,390.00	1,786,794.50	304,595.50	273,008.27
08/01/2021	2,089,389.96		2,089,389.96	1,787,362.50	302,027.46	260,778.05
08/01/2022	2,286,785.56		2,286,785.56	1,936,737.50	350,048.06	290,883.79
08/01/2023	5,471,865.46		5,471,865.46	3,984,237.50	1,487,627.96	1,185,578.58
08/01/2024	6,450,499.46		6,450,499.46	4,868,127.50	1,582,371.96	1,207,903.19
08/01/2025	6,451,023.20		6,451,023.20	4,871,015.00	1,580,008.20	1,161,654.50
08/01/2026	4,311,967.50		4,311,967.50	3,462,138.00	849,829.50	599,526.37
08/01/2027	12,342,740.30		12,342,740.30	10,446,178.00	1,896,562.30	1,294,167.66
08/01/2028	4,628,194.00		4,628,194.00	3,671,973.00	956,221.00	625,671.51
08/01/2029	3,583,036.50		3,583,036.50	2,744,676.00	838,360.50	527,362.71
08/01/2030	3,454,920.00		3,454,920.00	2,564,250.00	890,670.00	539,816.46
08/01/2031	10,659,517.50		10,659,517.50	7,859,250.00	2,800,267.50	1,645,899.72
08/01/2032	10,662,165.00		10,662,165.00	7,406,750.00	3,255,415.00	1,843,713.84
08/01/2033	10,665,000.00		10,665,000.00	6,605,750.00	4,059,250.00	2,216,535.73
08/01/2034	10,665,000.00		10,665,000.00	6,604,000.00	4,061,000.00	2,137,341.93
08/01/2035	3,005,000.00		3,005,000.00	1,862,750.00	1,142,250.00	578,870.36
08/01/2036	3,005,000.00		3,005,000.00	1,853,250.00	1,151,750.00	562,602.17
	107,033,644.19	1,019,026.35	106,014,617.84	77,972,247.79	28,042,370.05	17,454,479.86

Savings Summary

PV of savings from cash flow	17,454,479.86
Less: Prior funds on hand	-10,264,442.48
Plus: Refunding funds on hand	7,324.55
Net PV Savings	7,197,361.93

Notes:

The financing was evaluated at interest rates as of 3/15/17 and tax-exempt spreads to the generic 'AAA' municipal yield index ('MMD') of +10 bps in 2018 and increasing +45 bps in 2036. The refunding of the taxable 2011 Series B bonds was done at taxable spreads to comparable treasuries of +30bps in 2018 and increasing to +170 bps in 2029. With respect to the convertible capital appreciation bond interest rates, the financing was evaluated at interest rate spreads to MMD of +75 basis points beginning in 2018, increasing to +180 basis points in 2036.

These spreads are representative of what similarly sized, tax allocation bond credits with underlying credit characteristics similar to the Successor Agency's project area have priced at or traded in the days right ahead of such analysis but in no way does Stifel guarantee the pricing results. Stifel has assumed an underlying AA- rating for the Bonds based on the current bond rating.

Assumptions:

- 1) Refunding bonds have been structured with a 2.5% surety reserve fund (per recent surety reserve funds on similarly rated deals).
- 4) Debt service has been structured to produce proportional annual savings with the same final maturity as the refunded bonds.
- 5) Dated date of 6/29/2017, cost of issuance includes an allowance for the underwriter's discount.

SAVINGS

Successor Agency to the Brea Redevelopment Agency
 Refunding 2003 TABs
 (Refunding of 2003 Tax Allocation Bonds)
 Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 06/29/2017 @ 3.7848776%
08/01/2017	366,568.75	366,568.75				
08/01/2018	733,137.50		733,137.50	776,105.56	-42,968.06	-42,214.90
08/01/2019	733,137.50		733,137.50	712,750.00	20,387.50	19,030.00
08/01/2020	733,137.50		733,137.50	712,750.00	20,387.50	18,329.68
08/01/2021	733,137.50		733,137.50	712,750.00	20,387.50	17,655.13
08/01/2022	733,137.50		733,137.50	712,750.00	20,387.50	17,005.41
08/01/2023	733,137.50		733,137.50	712,750.00	20,387.50	16,379.59
08/01/2024	733,137.50		733,137.50	712,750.00	20,387.50	15,776.81
08/01/2025	733,137.50		733,137.50	712,750.00	20,387.50	15,196.21
08/01/2026	733,137.50		733,137.50	712,750.00	20,387.50	14,636.98
08/01/2027	8,768,137.50		8,768,137.50	7,697,750.00	1,070,387.50	733,386.12
08/01/2028	1,050,580.00		1,050,580.00	923,500.00	127,080.00	83,926.12
08/01/2029	1,050,542.50		1,050,542.50	920,500.00	130,042.50	82,708.11
08/01/2030	1,559,170.00		1,559,170.00	1,366,250.00	192,920.00	118,142.89
08/01/2031	3,103,767.50		3,103,767.50	2,723,250.00	380,517.50	224,394.37
08/01/2032	3,102,165.00		3,102,165.00	2,724,750.00	377,415.00	214,357.79
	25,599,168.75	366,568.75	25,232,600.00	22,834,105.56	2,398,494.44	1,548,710.30

Savings Summary

PV of savings from cash flow	1,548,710.30
Plus: Refunding funds on hand	2,630.89
Net PV Savings	1,551,341.19

SAVINGS

Successor Agency to the Brea Redevelopment Agency
Refunding 2011 Series A TABs (CAB Portion)

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 06/29/2017 @ 3.7848776%
08/01/2017	95,000.00	95,000.00				
08/01/2018	345,000.00		345,000.00	214,021.11	130,978.89	123,636.18
08/01/2019	350,000.00		350,000.00	216,550.00	133,450.00	121,676.94
08/01/2020	345,000.00		345,000.00	215,750.00	129,250.00	113,465.19
08/01/2021	345,000.00		345,000.00	214,750.00	130,250.00	110,155.55
08/01/2022	440,000.00		440,000.00	273,750.00	166,250.00	135,856.02
08/01/2023	3,320,000.00		3,320,000.00	2,054,750.00	1,265,250.00	1,005,561.59
08/01/2024	3,260,000.00		3,260,000.00	2,017,000.00	1,243,000.00	944,918.47
08/01/2025	3,260,000.00		3,260,000.00	2,021,000.00	1,239,000.00	907,512.52
08/01/2026	1,565,000.00		1,565,000.00	1,002,500.00	562,500.00	393,308.70
08/01/2027	1,560,000.00		1,560,000.00	1,002,500.00	557,500.00	375,409.42
08/01/2028	1,565,000.00		1,565,000.00	1,002,500.00	562,500.00	364,893.16
08/01/2029	1,565,000.00		1,565,000.00	1,002,500.00	562,500.00	351,464.78
08/01/2030	1,680,000.00		1,680,000.00	1,042,500.00	637,500.00	384,442.22
08/01/2031	3,025,000.00		3,025,000.00	1,870,500.00	1,154,500.00	675,143.00
08/01/2032	7,560,000.00		7,560,000.00	4,682,000.00	2,878,000.00	1,629,356.05
08/01/2033	10,665,000.00		10,665,000.00	6,605,750.00	4,059,250.00	2,216,535.73
08/01/2034	10,665,000.00		10,665,000.00	6,604,000.00	4,061,000.00	2,137,341.93
08/01/2035	3,005,000.00		3,005,000.00	1,862,750.00	1,142,250.00	578,870.36
08/01/2036	3,005,000.00		3,005,000.00	1,853,250.00	1,151,750.00	562,602.17
	57,620,000.00	95,000.00	57,525,000.00	35,758,321.11	21,766,678.89	13,132,149.99

Savings Summary

PV of savings from cash flow	13,132,149.99
Less: Prior funds on hand	-7,940,053.13
Plus: Refunding funds on hand	152.66
Net PV Savings	5,192,249.52

SAVINGS

Successor Agency to the Brea Redevelopment Agency
Refunding 2011 Series A TABs (CIB Portion)

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 06/29/2017 @ 3.7848776%
08/01/2017	107,875.00	107,875.00				
08/01/2018	215,750.00		215,750.00	169,322.22	46,427.78	44,866.58
08/01/2019	215,750.00		215,750.00	155,500.00	60,250.00	56,238.25
08/01/2020	215,750.00		215,750.00	155,500.00	60,250.00	54,168.64
08/01/2021	215,750.00		215,750.00	155,500.00	60,250.00	52,175.18
08/01/2022	215,750.00		215,750.00	155,500.00	60,250.00	50,255.09
08/01/2023	215,750.00		215,750.00	155,500.00	60,250.00	48,405.66
08/01/2024	215,750.00		215,750.00	155,500.00	60,250.00	46,624.29
08/01/2025	215,750.00		215,750.00	155,500.00	60,250.00	44,908.48
08/01/2026	215,750.00		215,750.00	155,500.00	60,250.00	43,255.81
08/01/2027	215,750.00		215,750.00	155,500.00	60,250.00	41,663.96
08/01/2028	215,750.00		215,750.00	155,500.00	60,250.00	40,130.69
08/01/2029	215,750.00		215,750.00	155,500.00	60,250.00	38,653.84
08/01/2030	215,750.00		215,750.00	155,500.00	60,250.00	37,231.35
08/01/2031	4,530,750.00		4,530,750.00	3,265,500.00	1,265,250.00	746,362.35
	7,443,375.00	107,875.00	7,335,500.00	5,300,822.22	2,034,677.78	1,344,940.17

Savings Summary

PV of savings from cash flow	1,344,940.17
Less: Prior funds on hand	-1,294,889.35
Plus: Refunding funds on hand	2,046.50
Net PV Savings	52,097.32

SAVINGS

Successor Agency to the Brea Redevelopment Agency
 Refunding 2011 Series B TABs
 (Refunding 2011 Taxable Tax Allocation Housing Bonds, Series B)
 Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 06/29/2017 @ 3.7848776%
08/01/2017	449,582.60	449,582.60				
08/01/2018	799,425.20		799,425.20	707,929.90	91,495.30	90,134.90
08/01/2019	798,923.20		798,923.20	704,829.50	94,093.70	89,797.08
08/01/2020	797,502.50		797,502.50	702,794.50	94,708.00	87,044.76
08/01/2021	795,502.46		795,502.46	704,362.50	91,139.96	80,792.18
08/01/2022	897,898.06		897,898.06	794,737.50	103,160.56	87,767.27
08/01/2023	1,202,977.96		1,202,977.96	1,061,237.50	141,740.46	115,231.74
08/01/2024	2,241,611.96		2,241,611.96	1,982,877.50	258,734.46	200,583.61
08/01/2025	2,242,135.70		2,242,135.70	1,981,765.00	260,370.70	194,037.30
08/01/2026	1,798,080.00		1,798,080.00	1,591,388.00	206,692.00	148,324.89
08/01/2027	1,798,852.80		1,798,852.80	1,590,428.00	208,424.80	143,708.16
08/01/2028	1,796,864.00		1,796,864.00	1,590,473.00	206,391.00	136,721.54
08/01/2029	751,744.00		751,744.00	666,176.00	85,568.00	54,535.98
	16,371,100.44	449,582.60	15,921,517.84	14,078,998.90	1,842,518.94	1,428,679.41

Savings Summary

PV of savings from cash flow	1,428,679.41
Less: Prior funds on hand	-1,029,500.00
Plus: Refunding funds on hand	2,494.50
Net PV Savings	401,673.91

BOND PRICING

Successor Agency to the Brea Redevelopment Agency
 2017 Tax Allocation Bonds
 Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Principal per \$5,000 at Maturity
Refunding 2003 TABs, Tax-Exempt Serial Bond:						
	08/01/2018		3.000%	0.930%	102.236	
	08/01/2019		4.000%	1.180%	105.800	
	08/01/2020		5.000%	1.440%	110.716	
	08/01/2021		5.000%	1.610%	113.361	
	08/01/2022		5.000%	1.880%	115.072	
	08/01/2023		5.000%	2.090%	116.554	
	08/01/2024		5.000%	2.340%	117.280	
	08/01/2025		5.000%	2.490%	118.284	
	08/01/2026		5.000%	2.660%	118.779	
	08/01/2027	6,985,000.00	5.000%	2.800%	119.217	
	08/01/2028	560,000.00	5.000%	2.940%	117.869	C
	08/01/2029	585,000.00	5.000%	3.070%	116.633	C
	08/01/2030	1,060,000.00	5.000%	3.150%	115.880	C
	08/01/2031	2,470,000.00	5.000%	3.240%	115.040	C
	08/01/2032	2,595,000.00	5.000%	3.320%	114.300	C
	08/01/2033		5.000%	3.390%	113.656	C
	08/01/2034		5.000%	3.450%	113.108	C
	08/01/2035		5.000%	3.500%	112.654	C
	08/01/2036		5.000%	3.540%	112.292	C
		14,255,000.00				
Refunding 2011 Series A TABs (CAB Portion), Tax-Exempt Serial Bond:						
	08/01/2018		3.000%	0.930%	102.236	
	08/01/2019	20,000.00	4.000%	1.180%	105.800	
	08/01/2020	20,000.00	5.000%	1.440%	110.716	
	08/01/2021	20,000.00	5.000%	1.610%	113.361	
	08/01/2022	80,000.00	5.000%	1.880%	115.072	
	08/01/2023	1,865,000.00	5.000%	2.090%	116.554	
	08/01/2024		5.000%	2.340%	117.280	
	08/01/2025		5.000%	2.490%	118.284	
	08/01/2026		5.000%	2.660%	118.779	
	08/01/2027		5.000%	2.800%	119.217	
	08/01/2028		5.000%	2.940%	117.869	C
	08/01/2029		5.000%	3.070%	116.633	C
	08/01/2030	40,000.00	5.000%	3.150%	115.880	C
	08/01/2031	870,000.00	5.000%	3.240%	115.040	C
	08/01/2032	1,020,000.00	5.000%	3.320%	114.300	C
	08/01/2033		5.000%	3.390%	113.656	C
	08/01/2034		5.000%	3.450%	113.108	C
	08/01/2035		5.000%	3.500%	112.654	C
	08/01/2036		5.000%	3.540%	112.292	C
		3,935,000.00				
Refunding 2011 Series A TABs (CAB Portion), Tax-Exempt Convertible CAB Bond:						
	08/01/2024	754,216.00	3.290%	3.528%	100.000	4,099.00
	08/01/2025	785,738.80	3.490%	3.852%	100.000	4,050.20
	08/01/2026		3.710%	4.118%	100.000	3,997.25
	08/01/2027		3.900%	4.314%	100.000	3,952.10
	08/01/2028		4.090%	4.432%	100.000	C 3,907.55
	08/01/2029		4.270%	4.545%	100.000	C 3,865.80

BOND PRICING

Successor Agency to the Brea Redevelopment Agency
2017 Tax Allocation Bonds
Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Principal per \$5,000 at Maturity
Refunding 2011 Series A TABs (CAB Portion), Tax-Exempt Convertible CAB Bond:						
	08/01/2030		4.450%	4.657%	100.000 C	3,824.55
	08/01/2031		4.590%	4.744%	100.000 C	3,792.80
	08/01/2032	2,042,166.80	4.670%	4.794%	100.000 C	3,774.80
	08/01/2033	4,386,869.70	4.740%	4.838%	100.000 C	3,759.10
	08/01/2034	4,588,543.75	4.800%	4.875%	100.000 C	3,745.75
	08/01/2035	1,262,294.80	4.850%	4.906%	100.000 C	3,734.60
	08/01/2036	1,315,189.75	4.890%	4.931%	100.000 C	3,725.75
		15,135,019.60				
Refunding 2011 Series A TABs (CIB Portion), Tax-Exempt Serial Bond:						
	08/01/2018		3.000%	0.930%	102.236	
	08/01/2019		4.000%	1.180%	105.800	
	08/01/2020		5.000%	1.440%	110.716	
	08/01/2021		5.000%	1.610%	113.361	
	08/01/2022		5.000%	1.880%	115.072	
	08/01/2023		5.000%	2.090%	116.554	
	08/01/2024		5.000%	2.340%	117.280	
	08/01/2025		5.000%	2.490%	118.284	
	08/01/2026		5.000%	2.660%	118.779	
	08/01/2027		5.000%	2.800%	119.217	
	08/01/2028		5.000%	2.940%	117.869 C	
	08/01/2029		5.000%	3.070%	116.633 C	
	08/01/2030		5.000%	3.150%	115.880 C	
	08/01/2031	3,110,000.00	5.000%	3.240%	115.040 C	
	08/01/2032		5.000%	3.320%	114.300 C	
	08/01/2033		5.000%	3.390%	113.656 C	
	08/01/2034		5.000%	3.450%	113.108 C	
	08/01/2035		5.000%	3.500%	112.654 C	
	08/01/2036		5.000%	3.540%	112.292 C	
		3,110,000.00				
Refunding 2011 Series B TABs, Taxable Serial Bond:						
	08/01/2018	300,000.00	1.600%	1.600%	100.000	
	08/01/2019	335,000.00	2.100%	2.100%	100.000	
	08/01/2020	340,000.00	2.480%	2.480%	100.000	
	08/01/2021	350,000.00	2.750%	2.750%	100.000	
	08/01/2022	450,000.00	3.000%	3.000%	100.000	
	08/01/2023	730,000.00	3.200%	3.200%	100.000	
	08/01/2024	1,675,000.00	3.350%	3.350%	100.000	
	08/01/2025	1,730,000.00	3.490%	3.490%	100.000	
	08/01/2026	1,400,000.00	3.640%	3.640%	100.000	
	08/01/2027	1,450,000.00	3.790%	3.790%	100.000	
	08/01/2028	1,505,000.00	3.940%	3.940%	100.000	
	08/01/2029	640,000.00	4.090%	4.090%	100.000	
		10,905,000.00				
		47,340,019.60				

BOND PRICING

Successor Agency to the Brea Redevelopment Agency
 2017 Tax Allocation Bonds
 Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Dated Date	06/29/2017	
Delivery Date	06/29/2017	
First Coupon	02/01/2018	
Par Amount	47,340,019.60	
Premium	3,528,147.00	
	<hr/>	
Production	50,868,166.60	107.452779%
Underwriter's Discount		
	<hr/>	
Purchase Price	50,868,166.60	107.452779%
Accrued Interest		
	<hr/>	
Net Proceeds	50,868,166.60	

Notes:

The financing was evaluated at interest rates as of 3/15/17 and tax-exempt spreads to the generic 'AAA' municipal yield index ('MMD') of +10 bps in 2018 and increasing +45 bps in 2036. The refunding of the taxable 2011 Series B bonds was done at taxable spreads to comparable treasuries of +30bps in 2018 and increasing to +170 bps in 2029. With respect to the convertible capital appreciation bond interest rates, the financing was evaluated at interest rate spreads to MMD of +75 basis points beginning in 2018, increasing to +180 basis points in 2036.

These spreads are representative of what similarly sized, tax allocation bond credits with underlying credit characteristics similar to the Successor Agency's project area have priced at or traded in the days right ahead of such analysis but in no way does Stifel guarantee the pricing results. Stifel has assumed an underlying AA- rating for the Bonds based on the current bond rating.

Assumptions:

- 1) Refunding bonds have been structured with a 2.5% surety reserve fund (per recent surety reserve funds on similarly rated deals).
- 4) Debt service has been structured to produce proportional annual savings with the same final maturity as the refunded bonds.
- 5) Dated date of 6/29/2017, cost of issuance includes an allowance for the underwriter's discount.

BOND DEBT SERVICE

Successor Agency to the Brea Redevelopment Agency
 Refunding 2003 TABs
 (Refunding of 2003 Tax Allocation Bonds)
 Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Period Ending	Principal	Coupon	Interest	Debt Service
08/01/2018			776,105.56	776,105.56
08/01/2019			712,750.00	712,750.00
08/01/2020			712,750.00	712,750.00
08/01/2021			712,750.00	712,750.00
08/01/2022			712,750.00	712,750.00
08/01/2023			712,750.00	712,750.00
08/01/2024			712,750.00	712,750.00
08/01/2025			712,750.00	712,750.00
08/01/2026			712,750.00	712,750.00
08/01/2027	6,985,000	5.000%	712,750.00	7,697,750.00
08/01/2028	560,000	5.000%	363,500.00	923,500.00
08/01/2029	585,000	5.000%	335,500.00	920,500.00
08/01/2030	1,060,000	5.000%	306,250.00	1,366,250.00
08/01/2031	2,470,000	5.000%	253,250.00	2,723,250.00
08/01/2032	2,595,000	5.000%	129,750.00	2,724,750.00
	14,255,000		8,579,105.56	22,834,105.56

BOND DEBT SERVICE

Successor Agency to the Brea Redevelopment Agency
Refunding 2011 Series A TABs (CAB Portion)

Period Ending	Principal	Coupon	Interest	Compounded Interest	Debt Service
08/01/2018			214,021.11		214,021.11
08/01/2019	20,000.00	4.000%	196,550.00		216,550.00
08/01/2020	20,000.00	5.000%	195,750.00		215,750.00
08/01/2021	20,000.00	5.000%	194,750.00		214,750.00
08/01/2022	80,000.00	5.000%	193,750.00		273,750.00
08/01/2023	1,865,000.00	5.000%	189,750.00		2,054,750.00
08/01/2024	754,216.00	3.290%	1,097,000.00	165,784.00	2,017,000.00
08/01/2025	785,738.80	3.490%	1,051,000.00	184,261.20	2,021,000.00
08/01/2026			1,002,500.00		1,002,500.00
08/01/2027			1,002,500.00		1,002,500.00
08/01/2028			1,002,500.00		1,002,500.00
08/01/2029			1,002,500.00		1,002,500.00
08/01/2030	40,000.00	5.000%	1,002,500.00		1,042,500.00
08/01/2031	870,000.00	5.000%	1,000,500.00		1,870,500.00
08/01/2032	3,062,166.80	** %	957,000.00	662,833.20	4,682,000.00
08/01/2033	4,386,869.70	4.740%	770,750.00	1,448,130.30	6,605,750.00
08/01/2034	4,588,543.75	4.800%	479,000.00	1,536,456.25	6,604,000.00
08/01/2035	1,262,294.80	4.850%	172,750.00	427,705.20	1,862,750.00
08/01/2036	1,315,189.75	4.890%	88,250.00	449,810.25	1,853,250.00
	19,070,019.60		11,813,321.11	4,874,980.40	35,758,321.11

BOND DEBT SERVICE

Successor Agency to the Brea Redevelopment Agency
Refunding 2011 Series A TABs (CIB Portion)

Period Ending	Principal	Coupon	Interest	Debt Service
08/01/2018			169,322.22	169,322.22
08/01/2019			155,500.00	155,500.00
08/01/2020			155,500.00	155,500.00
08/01/2021			155,500.00	155,500.00
08/01/2022			155,500.00	155,500.00
08/01/2023			155,500.00	155,500.00
08/01/2024			155,500.00	155,500.00
08/01/2025			155,500.00	155,500.00
08/01/2026			155,500.00	155,500.00
08/01/2027			155,500.00	155,500.00
08/01/2028			155,500.00	155,500.00
08/01/2029			155,500.00	155,500.00
08/01/2030			155,500.00	155,500.00
08/01/2031	3,110,000	5.000%	155,500.00	3,265,500.00
	3,110,000		2,190,822.22	5,300,822.22

BOND DEBT SERVICE

Successor Agency to the Brea Redevelopment Agency
 Refunding 2011 Series B TABs
 (Refunding 2011 Taxable Tax Allocation Housing Bonds, Series B)
 Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Period Ending	Principal	Coupon	Interest	Debt Service
08/01/2018	300,000	1.600%	407,929.90	707,929.90
08/01/2019	335,000	2.100%	369,829.50	704,829.50
08/01/2020	340,000	2.480%	362,794.50	702,794.50
08/01/2021	350,000	2.750%	354,362.50	704,362.50
08/01/2022	450,000	3.000%	344,737.50	794,737.50
08/01/2023	730,000	3.200%	331,237.50	1,061,237.50
08/01/2024	1,675,000	3.350%	307,877.50	1,982,877.50
08/01/2025	1,730,000	3.490%	251,765.00	1,981,765.00
08/01/2026	1,400,000	3.640%	191,388.00	1,591,388.00
08/01/2027	1,450,000	3.790%	140,428.00	1,590,428.00
08/01/2028	1,505,000	3.940%	85,473.00	1,590,473.00
08/01/2029	640,000	4.090%	26,176.00	666,176.00
	10,905,000		3,173,998.90	14,078,998.90

BOND DEBT SERVICE

Successor Agency to the Brea Redevelopment Agency
 Refunding 2003 TABs
 (Refunding of 2003 Tax Allocation Bonds)
 Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2018			419,730.56	419,730.56	
08/01/2018			356,375.00	356,375.00	776,105.56
02/01/2019			356,375.00	356,375.00	
08/01/2019			356,375.00	356,375.00	712,750.00
02/01/2020			356,375.00	356,375.00	
08/01/2020			356,375.00	356,375.00	712,750.00
02/01/2021			356,375.00	356,375.00	
08/01/2021			356,375.00	356,375.00	712,750.00
02/01/2022			356,375.00	356,375.00	
08/01/2022			356,375.00	356,375.00	712,750.00
02/01/2023			356,375.00	356,375.00	
08/01/2023			356,375.00	356,375.00	712,750.00
02/01/2024			356,375.00	356,375.00	
08/01/2024			356,375.00	356,375.00	712,750.00
02/01/2025			356,375.00	356,375.00	
08/01/2025			356,375.00	356,375.00	712,750.00
02/01/2026			356,375.00	356,375.00	
08/01/2026			356,375.00	356,375.00	712,750.00
02/01/2027			356,375.00	356,375.00	
08/01/2027	6,985,000	5.000%	356,375.00	7,341,375.00	7,697,750.00
02/01/2028			181,750.00	181,750.00	
08/01/2028	560,000	5.000%	181,750.00	741,750.00	923,500.00
02/01/2029			167,750.00	167,750.00	
08/01/2029	585,000	5.000%	167,750.00	752,750.00	920,500.00
02/01/2030			153,125.00	153,125.00	
08/01/2030	1,060,000	5.000%	153,125.00	1,213,125.00	1,366,250.00
02/01/2031			126,625.00	126,625.00	
08/01/2031	2,470,000	5.000%	126,625.00	2,596,625.00	2,723,250.00
02/01/2032			64,875.00	64,875.00	
08/01/2032	2,595,000	5.000%	64,875.00	2,659,875.00	2,724,750.00
	14,255,000		8,579,105.56	22,834,105.56	22,834,105.56

BOND DEBT SERVICE

Successor Agency to the Brea Redevelopment Agency
Refunding 2011 Series A TABs (CAB Portion)

Period Ending	Principal	Coupon	Interest	Compounded Interest	Debt Service	Annual Debt Service
02/01/2018			115,746.11		115,746.11	
08/01/2018			98,275.00		98,275.00	214,021.11
02/01/2019			98,275.00		98,275.00	
08/01/2019	20,000.00	4.000%	98,275.00		118,275.00	216,550.00
02/01/2020			97,875.00		97,875.00	
08/01/2020	20,000.00	5.000%	97,875.00		117,875.00	215,750.00
02/01/2021			97,375.00		97,375.00	
08/01/2021	20,000.00	5.000%	97,375.00		117,375.00	214,750.00
02/01/2022			96,875.00		96,875.00	
08/01/2022	80,000.00	5.000%	96,875.00		176,875.00	273,750.00
02/01/2023			94,875.00		94,875.00	
08/01/2023	1,865,000.00	5.000%	94,875.00		1,959,875.00	2,054,750.00
02/01/2024			548,500.00		548,500.00	
08/01/2024	754,216.00	3.290%	548,500.00	165,784.00	1,468,500.00	2,017,000.00
02/01/2025			525,500.00		525,500.00	
08/01/2025	785,738.80	3.490%	525,500.00	184,261.20	1,495,500.00	2,021,000.00
02/01/2026			501,250.00		501,250.00	
08/01/2026			501,250.00		501,250.00	1,002,500.00
02/01/2027			501,250.00		501,250.00	
08/01/2027			501,250.00		501,250.00	1,002,500.00
02/01/2028			501,250.00		501,250.00	
08/01/2028			501,250.00		501,250.00	1,002,500.00
02/01/2029			501,250.00		501,250.00	
08/01/2029			501,250.00		501,250.00	1,002,500.00
02/01/2030			501,250.00		501,250.00	
08/01/2030	40,000.00	5.000%	501,250.00		541,250.00	1,042,500.00
02/01/2031			500,250.00		500,250.00	
08/01/2031	870,000.00	5.000%	500,250.00		1,370,250.00	1,870,500.00
02/01/2032			478,500.00		478,500.00	
08/01/2032	3,062,166.80	** %	478,500.00	662,833.20	4,203,500.00	4,682,000.00
02/01/2033			385,375.00		385,375.00	
08/01/2033	4,386,869.70	4.740%	385,375.00	1,448,130.30	6,220,375.00	6,605,750.00
02/01/2034			239,500.00		239,500.00	
08/01/2034	4,588,543.75	4.800%	239,500.00	1,536,456.25	6,364,500.00	6,604,000.00
02/01/2035			86,375.00		86,375.00	
08/01/2035	1,262,294.80	4.850%	86,375.00	427,705.20	1,776,375.00	1,862,750.00
02/01/2036			44,125.00		44,125.00	
08/01/2036	1,315,189.75	4.890%	44,125.00	449,810.25	1,809,125.00	1,853,250.00
	19,070,019.60		11,813,321.11	4,874,980.40	35,758,321.11	35,758,321.11

BOND DEBT SERVICE

Successor Agency to the Brea Redevelopment Agency
 Refunding 2011 Series A TABs (CIB Portion)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2018			91,572.22	91,572.22	
08/01/2018			77,750.00	77,750.00	169,322.22
02/01/2019			77,750.00	77,750.00	
08/01/2019			77,750.00	77,750.00	155,500.00
02/01/2020			77,750.00	77,750.00	
08/01/2020			77,750.00	77,750.00	155,500.00
02/01/2021			77,750.00	77,750.00	
08/01/2021			77,750.00	77,750.00	155,500.00
02/01/2022			77,750.00	77,750.00	
08/01/2022			77,750.00	77,750.00	155,500.00
02/01/2023			77,750.00	77,750.00	
08/01/2023			77,750.00	77,750.00	155,500.00
02/01/2024			77,750.00	77,750.00	
08/01/2024			77,750.00	77,750.00	155,500.00
02/01/2025			77,750.00	77,750.00	
08/01/2025			77,750.00	77,750.00	155,500.00
02/01/2026			77,750.00	77,750.00	
08/01/2026			77,750.00	77,750.00	155,500.00
02/01/2027			77,750.00	77,750.00	
08/01/2027			77,750.00	77,750.00	155,500.00
02/01/2028			77,750.00	77,750.00	
08/01/2028			77,750.00	77,750.00	155,500.00
02/01/2029			77,750.00	77,750.00	
08/01/2029			77,750.00	77,750.00	155,500.00
02/01/2030			77,750.00	77,750.00	
08/01/2030			77,750.00	77,750.00	155,500.00
02/01/2031			77,750.00	77,750.00	
08/01/2031	3,110,000	5.000%	77,750.00	3,187,750.00	3,265,500.00
	3,110,000		2,190,822.22	5,300,822.22	5,300,822.22

BOND DEBT SERVICE

Successor Agency to the Brea Redevelopment Agency
 Refunding 2011 Series B TABs
 (Refunding 2011 Taxable Tax Allocation Housing Bonds, Series B)
 Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2018			220,615.15	220,615.15	
08/01/2018	300,000	1.600%	187,314.75	487,314.75	707,929.90
02/01/2019			184,914.75	184,914.75	
08/01/2019	335,000	2.100%	184,914.75	519,914.75	704,829.50
02/01/2020			181,397.25	181,397.25	
08/01/2020	340,000	2.480%	181,397.25	521,397.25	702,794.50
02/01/2021			177,181.25	177,181.25	
08/01/2021	350,000	2.750%	177,181.25	527,181.25	704,362.50
02/01/2022			172,368.75	172,368.75	
08/01/2022	450,000	3.000%	172,368.75	622,368.75	794,737.50
02/01/2023			165,618.75	165,618.75	
08/01/2023	730,000	3.200%	165,618.75	895,618.75	1,061,237.50
02/01/2024			153,938.75	153,938.75	
08/01/2024	1,675,000	3.350%	153,938.75	1,828,938.75	1,982,877.50
02/01/2025			125,882.50	125,882.50	
08/01/2025	1,730,000	3.490%	125,882.50	1,855,882.50	1,981,765.00
02/01/2026			95,694.00	95,694.00	
08/01/2026	1,400,000	3.640%	95,694.00	1,495,694.00	1,591,388.00
02/01/2027			70,214.00	70,214.00	
08/01/2027	1,450,000	3.790%	70,214.00	1,520,214.00	1,590,428.00
02/01/2028			42,736.50	42,736.50	
08/01/2028	1,505,000	3.940%	42,736.50	1,547,736.50	1,590,473.00
02/01/2029			13,088.00	13,088.00	
08/01/2029	640,000	4.090%	13,088.00	653,088.00	666,176.00
	10,905,000		3,173,998.90	14,078,998.90	14,078,998.90

ESCROW REQUIREMENTS

Successor Agency to the Brea Redevelopment Agency
2017 Tax Allocation Bonds
Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Period Ending	Principal	Interest	Compounded Interest	Principal Redeemed	Compound Int Redeemed	Total
08/01/2017	173,391.30	819,953.36	21,608.70	16,475,000.00		17,489,953.36
08/01/2018	351,778.50	910,175.20	98,221.50			1,360,175.20
08/01/2019	340,300.00	904,673.20	119,700.00			1,364,673.20
08/01/2020	324,194.20	898,252.50	135,805.80			1,358,252.50
08/01/2021	312,648.00	891,252.46	152,352.00	27,183,339.35	14,590,807.00	43,130,398.81
	1,502,312.00	4,424,306.72	527,688.00	43,658,339.35	14,590,807.00	64,703,453.07

Notes:

The financing was evaluated at interest rates as of 3/15/17 and tax-exempt spreads to the generic 'AAA' municipal yield index ('MMD') of +10 bps in 2018 and increasing +45 bps in 2036. The refunding of the taxable 2011 Series B bonds was done at taxable spreads to comparable treasuries of +30bps in 2018 and increasing to +170 bps in 2029. With respect to the convertible capital appreciation bond interest rates, the financing was evaluated at interest rate spreads to MMD of +75 basis points beginning in 2018, increasing to +180 basis points in 2036.

These spreads are representative of what similarly sized, tax allocation bond credits with underlying credit characteristics similar to the Successor Agency's project area have priced at or traded in the days right ahead of such analysis but in no way does Stifel guarantee the pricing results. Stifel has assumed an underlying AA- rating for the Bonds based on the current bond rating.

Assumptions:

- 1) Refunding bonds have been structured with a 2.5% surety reserve fund (per recent surety reserve funds on similarly rated deals).
- 4) Debt service has been structured to produce proportional annual savings with the same final maturity as the refunded bonds.
- 5) Dated date of 6/29/2017, cost of issuance includes an allowance for the underwriter's discount.

SUMMARY OF BONDS REFUNDED

Successor Agency to the Brea Redevelopment Agency
2017 Tax Allocation Bonds
Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Bond	Maturity Date	Interest Rate	Par Amount	Value on Jun 29, 2017	Value at Redemption	Call Date	Call Price
2003 TABs, Redevelopment Project AB, 2003:							
2032TERM	08/01/2032	4.450%	16,475,000.00	16,475,000.00	16,475,000.00	07/29/2017	100.000
2011 TABs, Series A, 2011A:							
CAB	08/01/2017	4.260%	73,391.30	94,640.90			
	08/01/2018	4.760%	246,778.50	327,770.70			
	08/01/2019	5.220%	230,300.00	314,279.00			
	08/01/2020	5.560%	209,194.20	291,238.65			
	08/01/2021	5.840%	192,648.00	272,643.15			
	08/01/2022	6.120%	225,042.40	323,756.40	414,255.60	08/01/2021	100.000
	08/01/2023	6.390%	1,548,780.00	2,263,609.20	2,927,542.80	08/01/2021	100.000
	08/01/2024	6.690%	1,374,644.20	2,044,672.00	2,675,938.40	08/01/2021	100.000
	08/01/2025	6.950%	1,242,190.40	1,875,901.80	2,480,468.80	08/01/2021	100.000
	08/01/2026	7.280%	530,754.10	817,070.85	1,094,561.00	08/01/2021	100.000
	08/01/2027	7.370%	485,690.40	751,639.20	1,010,490.00	08/01/2021	100.000
	08/01/2028	7.460%	446,557.10	694,687.85	937,231.55	08/01/2021	100.000
	08/01/2029	7.550%	408,543.25	638,879.95	865,022.45	08/01/2021	100.000
	08/01/2030	7.640%	400,528.80	629,647.20	855,556.80	08/01/2021	100.000
	08/01/2031	7.680%	663,927.00	1,046,166.00	1,423,716.25	08/01/2021	100.000
	08/01/2032	7.720%	1,526,364.00	2,410,657.20	3,285,878.40	08/01/2021	100.000
	08/01/2033	7.810%	1,958,307.30	3,109,060.80	4,252,882.05	08/01/2021	100.000
	08/01/2034	7.880%	1,785,854.25	2,846,808.45	3,904,883.10	08/01/2021	100.000
	08/01/2035	7.940%	459,314.25	734,752.55	1,010,220.90	08/01/2021	100.000
	08/01/2036	7.970%	421,841.90	675,974.75	930,498.25	08/01/2021	100.000
SERIAL	08/01/2031	5.000%	4,315,000.00	4,315,000.00	4,315,000.00	08/01/2021	100.000
			18,745,651.35	26,478,856.60	32,384,146.35		
2011 Taxable Housing TABs, Series B, 2011B:							
SERIAL	08/01/2017	4.740%	100,000.00	100,000.00			
	08/01/2018	5.240%	105,000.00	105,000.00			
	08/01/2019	5.837%	110,000.00	110,000.00			
	08/01/2020	6.087%	115,000.00	115,000.00			
	08/01/2021	6.337%	120,000.00	120,000.00			
	08/01/2022	6.487%	230,000.00	230,000.00	230,000.00	08/01/2021	100.000
	08/01/2023	6.612%	550,000.00	550,000.00	550,000.00	08/01/2021	100.000
	08/01/2024	6.737%	1,625,000.00	1,625,000.00	1,625,000.00	08/01/2021	100.000
	08/01/2025	6.862%	1,735,000.00	1,735,000.00	1,735,000.00	08/01/2021	100.000
2029TERM	08/01/2029	7.392%	5,250,000.00	5,250,000.00	5,250,000.00	08/01/2021	100.000
			9,940,000.00	9,940,000.00	9,390,000.00		
			45,160,651.35	52,893,856.60	58,249,146.35		

SUMMARY OF BONDS REFUNDED

Successor Agency to the Brea Redevelopment Agency
2017 Tax Allocation Bonds
Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Notes:

The financing was evaluated at interest rates as of 3/15/17 and tax-exempt spreads to the generic 'AAA' municipal yield index ('MMD') of +10 bps in 2018 and increasing +45 bps in 2036. The refunding of the taxable 2011 Series B bonds was done at taxable spreads to comparable treasuries of +30bps in 2018 and increasing to +170 bps in 2029. With respect to the convertible capital appreciation bond interest rates, the financing was evaluated at interest rate spreads to MMD of +75 basis points beginning in 2018, increasing to +180 basis points in 2036.

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PRIOR BOND DEBT SERVICE

Successor Agency to the Brea Redevelopment Agency
2017 Tax Allocation Bonds
Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

Period Ending	Principal	Coupon	Interest	Compounded Interest	Debt Service
08/01/2017	173,391.30	** %	824,026.35	21,608.70	1,019,026.35
08/01/2018	351,778.50	** %	1,643,312.70	98,221.50	2,093,312.70
08/01/2019	340,300.00	** %	1,637,810.70	119,700.00	2,097,810.70
08/01/2020	324,194.20	** %	1,631,390.00	135,805.80	2,091,390.00
08/01/2021	312,648.00	** %	1,624,389.96	152,352.00	2,089,389.96
08/01/2022	455,042.40	** %	1,616,785.56	214,957.60	2,286,785.56
08/01/2023	2,098,780.00	** %	1,601,865.46	1,771,220.00	5,471,865.46
08/01/2024	2,999,644.20	** %	1,565,499.46	1,885,355.80	6,450,499.46
08/01/2025	2,977,190.40	** %	1,456,023.20	2,017,809.60	6,451,023.20
08/01/2026	1,940,754.10	** %	1,336,967.50	1,034,245.90	4,311,967.50
08/01/2027	10,035,690.40	** %	1,232,740.30	1,074,309.60	12,342,740.30
08/01/2028	2,746,557.10	** %	763,194.00	1,118,442.90	4,628,194.00
08/01/2029	1,813,543.25	** %	613,036.50	1,156,456.75	3,583,036.50
08/01/2030	1,645,528.80	** %	529,920.00	1,279,471.20	3,454,920.00
08/01/2031	7,823,927.00	** %	474,517.50	2,361,073.00	10,659,517.50
08/01/2032	4,496,364.00	** %	132,165.00	6,033,636.00	10,662,165.00
08/01/2033	1,958,307.30	7.810%		8,706,692.70	10,665,000.00
08/01/2034	1,785,854.25	7.880%		8,879,145.75	10,665,000.00
08/01/2035	459,314.25	7.940%		2,545,685.75	3,005,000.00
08/01/2036	421,841.90	7.970%		2,583,158.10	3,005,000.00
	45,160,651.35		18,683,644.19	43,189,348.65	107,033,644.19

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DISCLAIMER: GENERAL AND FACTUAL

Successor Agency to the Brea Redevelopment Agency
 2017 Tax Allocation Bonds
 Project Area AB

Assume 'AA-' Rating with Standalone Reserve Surety

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