



FINANCE COMMITTEE AGENDA

Tuesday, December 12, 2017

8:30 AM

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

MEMBERS: Mayor Pro Tem Christine Marick and Council Member Marty Simonoff
ALTERNATE: Council Member 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 November 28, 2017 Meeting

Attachments

11-28-17 Minutes

3. Curtis Theatre Building Monitor and PA System Upgrade

Attachments

Agreement

4. Lease and Maintenance of Digital Printing/Copying Equipment

Attachments

Agreement

DISCUSSION

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

5. Annual Development Impact Fee Report and Five Year Findings for Fiscal Year Ended June 30, 2017

Attachments

Annual Report

Five Year Findings Report

6. Resolution Concerning Measure M2 Expenditure Report

Attachments

Resolution

7. Schedule Next Meeting: January 9, 2018

cc: Mayor 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

TO: Finance Committee Members
DATE: 12/12/2017
SUBJECT: Approval of Minutes of November 28, 2017 Meeting

RESPECTFULLY SUBMITTED

Respectfully submitted: Arlene Miner

Attachments

11-28-17 Minutes



FINANCE COMMITTEE MINUTES

Tuesday, November 28, 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, Chris Emeterio, Tony Olmos, Cindy Russell, Carrie Hernandez, Faith Madrazo, Sean Matlock, Lee Squire, Alicia Brenner and Kristofer Kataoka.

1. Matters from the Audience – *None*

CONSENT

2. Approval of Minutes of October 31, 2017 Meeting – *Receive and File.*
3. Curtis Theatre Building Monitor and PA System Upgrade – *Recommended for City Council approval.*
4. Resolution for the Submittal of a Grant Application for the Construction of the SR-57 and Lambert Road Interchange Improvements, Phase 1, Project 7251, to the Orange County Transportation Authority for Funding Under the Comprehensive Transportation Funding Program – *Recommended for City Council approval.*
5. Amendment to Professional Services Agreement (PSA) with AKAL Consultants for Additional Project Management Services for the SR-57 and Lambert Road Interchange Improvements, Project 7251 – *Recommended for City Council approval.*

DISCUSSION

6. Schedule Next Meeting: December 12, 2017

Meeting adjourned: 8:38 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: Bill Gallardo

DATE: 12/12/2017

SUBJECT: Professional Services Agreement with Trinity Sound Company to Provide Curtis Theatre Building Audio Monitor and PA System Upgrade.

RECOMMENDATION

Award a professional services agreement to Trinity Sound Company to provide the Curtis Theatre building audio monitor and PA system upgrade in the amount of \$79,568.91, as well as needed repairs and maintenance services (only if needed) to a maximum of \$25,000 per year for up to five years.

BACKGROUND/DISCUSSION

In May 2017, the City Council approved a decision package to move forward with replacing the original and outdated building audio monitor and PA equipment to help increase efficiencies within the facility, as well as provide for a method to quickly respond in an emergency, which is currently lacking. Staff has received quotes from two contractors for this project and is now seeking the support of the City Council to award the contract to Trinity Sound Company.

Drawing more than 50,000 visitors annually, the Curtis Theatre is responsible for a number of programs contributing to the City's prestigious reputation for Cultural Arts. The Theatre presents and produces an annual season of live performances; cultivates collaborative partnerships with local theatrical production companies; and negotiates bringing notable guest performers to the 199 seat venue. While these performances have a regional draw, they also offer Brea residents - be it a parents night out, seniors on a fixed income, or young people - a cultural arts experience. Additionally, Theatre staff oversees a large-scale youth theatre program serving an average of 475 children playing to sold-out houses, while also providing volunteer opportunities for their parents. The Theatre also derives revenue from its Facility Rental Program, offering performance and meeting space for area schools, performing arts companies, businesses and faith-based organizations. Outside the facility, Theatre staff administers the annual Concerts in the Park Program and contributes to a number of City events.

The building audio monitor and PA system is used to transmit stage sound to Dressing Rooms A and B, the Green Room and Theatre office. In 2014, one of the amplifiers providing a stage feed to the dressing room malfunctioned, which can happen if used for an extended period of time. As a result, it is unavailable for rentals and programs like Brea's Youth Theatre. Currently, there is no comprehensive means of communication to all backstage areas, even in the event of an emergency. Furthermore, rental clients expect that there is an

efficient call system to communicate among the various parts of the Theatre, something that is a standard feature in many civic-run or school performing spaces. The cost of a building audio monitor and PA system includes the following features: paging, recorded music/announcement playback capabilities, stage monitoring and chiming. These features are interchangeable and customizable to 12 zones within the facility: Dressing Rooms A/B/C, Scene Shop, backstage restrooms, Green Room, office, lobby, lobby restrooms, lobby exterior, spot booth, tech booth, and Backstage SM Station.

Several vendors were contacted to provide a quote for this project; however, staff only received reasonable responses from the following vendors:

Vendor:	Quoted Amount:
Trinity Sound Company	\$79,568.91
Apex Audio	\$100,186.81

In addition to being the lowest bidder, Trinity Sound Company has also had previous experience working with the City of Brea on live events (Brea Fest, Concerts in the Park and the Centennial Parade); installing audio equipment at both the Brea Senior Center and the Brea Community Center; and maintaining a positive professional relationship with the Curtis Theatre while providing support on various performances, meetings, community programs and rentals.

The contract also includes additional as needed repairs and maintenance services for one year and an option for four one-year extensions to a maximum of \$25,000 per year for any emergency repairs, if needed.

SUMMARY/FISCAL IMPACT

This project is funded with Fixed Asset Replacement Program (FARP) funds of \$79,568.91.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Carrie Hernandez, Cultural Arts & Human Services Manager

Concurrence: Chris Emeterio, Assistant City Manager/Community Services Director

Neil Groom, Procurement and Contracts Administrator

Attachments

Agreement

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF BREA
AND
TRINITY SOUND COMPANY**

This Agreement ("Agreement" or "Contract") is made and entered into this 21st day of Sept, 2017 ("Effective Date"), between the City of Brea, a municipal corporation (hereinafter referred to as "CITY") and Trinity Sound Company (hereinafter referred to as "CONTRACTOR").

I. Recitals

- A. CITY has solicited a request for proposal to upgrade the Curtis Theatre sound and monitoring equipment described in Exhibit A Scope of Services ("Services") from CONTRACTOR;
- B. CONTRACTOR has submitted a proposal in response thereto and represents CONTRACTOR is qualified and willing to perform such services;
- C. CITY has reviewed and evaluated the CONTRACTOR's proposal, representations, qualifications, pricing, and promises to perform;
- D. CITY desires to retain CONTRACTOR to provide the Exhibit A Services per Exhibit B Term and Compensation ("the Term" and "the Price").

II. Agreement

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

- A. CONTRACTOR agrees to provide the Services for the Term and the Price.
- B. CONTRACTOR agrees as follows:
 - 1. Upon receiving a written notice to proceed from CITY, CONTRACTOR shall commence performance in accordance with the required Services, all Federal, State, and CITY statutes, regulations, ordinances, and all applicable industry standards and guidelines, all to the reasonable satisfaction of CITY.

2. CONTRACTOR shall supply copies of all required reports, writings, photographs and/or documents (hereinafter collectively referred to as "documents") including any supplemental documents to CITY, necessary for CONTRACTOR to perform the Services, or as otherwise specifically required hereunder. CONTRACTOR shall furnish copies of said documents in such quantities as required by CITY. Thereafter, CITY may review and forward comments regarding said documents to CONTRACTOR for revisions. Thereafter, CONTRACTOR shall make such revisions to said documents and provide revised documents to CITY in such form and quantities determined necessary by CITY.
3. CONTRACTOR shall, at CONTRACTOR's sole cost and expense, secure and hire such other persons as may, in the opinion of CONTRACTOR, be necessary to comply with the terms of this Agreement. In the event any such other persons are retained by CONTRACTOR, CONTRACTOR hereby warrants that such persons shall be fully qualified to perform services required hereunder. CONTRACTOR further agrees that no subcontractor shall be retained by CONTRACTOR except upon the prior written approval of CITY.
4. CONTRACTOR, while fulfilling the terms of this Agreement shall provide exceptional customer care. Any negative contact with staff, residents/citizens, businesses, visitors or other contractors shall be reported by CONTRACTOR immediately to CITY. CONTRACTOR's management and supervisory personnel shall intercede to resolve or mitigate the negative contact in conjunction with CITY staff. CITY and CONTRACTOR may agree in advance to a single person contact, a representative of either CITY or CONTRACTOR, for the investigation and response to complaints.

C. CITY agrees to pay CONTRACTOR:

1. For required Services performed by CONTRACTOR at Exhibit B Compensation prices. Payment shall cover cost of all staff time and all other direct and indirect costs and fees, including work of employees, CONTRACTOR and subcontractors to CONTRACTOR.
2. Within a reasonable time after receipt of monthly invoices submitted by CONTRACTOR for charges in accordance with Exhibit B Compensation prices.

D. CITY agrees to provide to CONTRACTOR:

1. Information and assistance needed to enable CONTRACTOR to perform Services. Any and all such information and data so provided shall be forever maintained as confidential by CONTRACTOR to the maximum extent permitted by law.
2. Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. CONTRACTOR shall make all initial contact with respect to gathering of such information.

E. Ownership of Documents:

1. All documents prepared by CONTRACTOR pursuant to this Agreement shall be considered works made for hire and, together with all intellectual property rights arising therefrom, shall be deemed to be the property of CITY. CONTRACTOR hereby assigns to CITY any and all intellectual property rights to such documents not otherwise conveyed by this subsection.
2. CONTRACTOR shall not make and retain for its own use, copies of any documents prepared pursuant to this Agreement, without CITY's prior written consent.

F. Termination:

1. CITY may terminate this Agreement upon giving a written "Notice of Termination" to CONTRACTOR at least thirty (30) days prior to the date of termination specified in said notice. In the event this Agreement is so terminated, CONTRACTOR shall be compensated on a pro-rata basis with respect to the percentage of the Services completed and the corresponding Price as of the date of termination.
2. CONTRACTOR shall provide to CITY any and all documents and reports, whether in draft or final form, prepared by CONTRACTOR as of the date of termination.
3. CONTRACTOR may not terminate this Agreement except for cause.
4. Termination or expiration of this Agreement does not release CONTRACTOR from any and all claims, damages or other liability incurred prior to termination or expiration.

G. Indemnity:

1. CONTRACTOR and CITY agree that CITY, its elected officials, officers, employees, agents and volunteers should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys fees, litigation costs, defense costs, court costs or any other cost arising out of, pertaining to or relating to the negligence, recklessness or willful misconduct in performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to CITY.
2. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold CITY, its elected officials, officers, employees,

agents and volunteers free and harmless from any and all liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged, or threatened, actual attorneys fees and experts costs incurred by CITY, court costs, interest, defense costs including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in, arising out of, pertaining to or relating to the negligence, recklessness or willful misconduct in CONTRACTOR's performance of this Agreement. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by CITY.

3. Any tort claims filed against CITY related to CONTRACTOR's performance of this Agreement and subsequently tendered to CONTRACTOR shall be promptly investigated, and the resolution of such claims shall be promptly reported to CITY.
4. The obligations of CONTRACTOR under this or any other provision of this Agreement will not be limited by the provisions of any workers compensation act or similar act. CONTRACTOR expressly waives its statutory immunity under such statutes or laws as to CITY, its employees, agents, and officials.
5. CONTRACTOR agrees to obtain executed indemnity agreements with provisions identical to those as set forth here in this section from each and every subcontractor, sub-tier contractor or any other person or entity involved by, for, with or on behalf of CONTRACTOR in the performance or subject matter of this Agreement. Notwithstanding the foregoing, CONTRACTOR agrees to be fully and primarily responsible for all claims and liabilities arising out of the acts or omissions of any of its contractors and sub-tier contractors in the performance of this Agreement.

6. Failure of CITY to monitor compliance with these requirements imposes no additional obligations on CITY and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend CITY as set forth herein is binding on the successors, assigns or heirs of CONTRACTOR and shall survive the termination of this Agreement or this section.

H. Insurance:

1. Throughout the term of this Agreement, CONTRACTOR agrees to provide and maintain insurance as set forth in Exhibit C Insurance Requirements attached hereto and incorporated herein by reference.

I. Assignment:

1. No assignment of all or any part of this Agreement, and no subcontract to perform any obligation hereunder, shall be made, either in whole or in part, by CONTRACTOR without the prior written consent of CITY.

J. Independent Contractor:

1. The parties hereto agree that CONTRACTOR and its employees, officers, and agents are independent contractors under this Agreement and shall not be construed for any purpose to be employees of CITY.

K. Governing Law:

1. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for any litigation arising out of this Agreement shall be the Superior Court of the County of Orange.

L. Attorneys' Fees:

1. In the event any legal proceeding is instituted to enforce any term or provision of this Agreement, the prevailing party in said legal proceeding shall be entitled to recover attorneys' fees and costs from the opposing party in an amount determined by the court to be reasonable.

M. Notices and Designated Representatives:

1. Any and all notices, demands, invoices, and written communications (notices) between Parties shall be addressed to the individuals set forth below who are primarily responsible for their respective parties' performance. Such notices shall be deemed as received by addressee within two working days after deposit in the United States mail or an express mail carrier or by verifiable electronic means.

CONTRACTOR

Trinity Sound Company
1240 E Ontario Av, Ste 102-190
Corona CA 92881
Devin Devore, Owner
909-923-6640
devin@trintysoundcompany.com

CITY

City of Brea
The Curtis Theatre
1 Civic Center Circle
Brea CA 92821
Tiina Mittler, Theatre Managing Director
714-944-1118
TiinaW@CityofBrea.net

N. Entire Agreement:

1. This Agreement supersedes any and all other Agreements, either oral or in writing, between the parties with respect to the subject matter herein. Each party to this Agreement acknowledges that no representation by any party which is not embodied herein nor any other Agreement, statement or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement shall be effective only if it is in writing signed by all parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above:

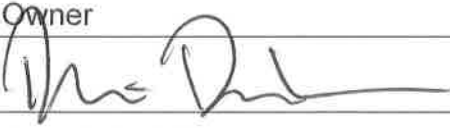
CONTRACTOR

Contractor Name: Trinity Sound Company

Corporation Type: a California Corporation

Printed Name: Devin Devore

Title: Owner

Signature: 

Date: Sept 21st 2017

CITY

City of Brea

Corporation Type: a California Muncipal Corporation

Printed Name: Cecilia Hupp

Title: Mayor

Signature: _____

Date: _____

ATTEST

Printed Name: Lillian Harris-Neal

Title: City Clerk

Signature: _____

Date: _____

Attachments (incorporated documents):

Exhibit A – Scope of Services

Exhibit B – Term and Compensation

Exhibit C – Insurance Requirements

EXHIBIT A SCOPE OF SERVICES

I. Services Summary

- A. CONTRACTOR shall provide upgrades to the Curtis Theatre sound and monitoring equipment for CITY's Curtis Theatre.
- B. CONTRACTOR shall provide additional as-needed repair and maintenance services.

II. Services Locations

- A. The Curtis Theatre, 1 Civic Center Circle, Brea CA 92821.
- B. Locations may vary for additional as-needed repair and maintenance services.

III. Services Schedule

- A. CONTRACTOR shall provide the Services based on a to-be-determined agreed-upon schedule.
- B. CONTRACTOR shall be available on an on-call basis for additional as-needed repair and maintenance services as follows:
 - 1. Routine work is when there is NO significant interruption in operation. CONTRACTOR must be at work site at agreed-upon time. Regular Time rates applies.
 - 2. Urgent work is when there is a partial malfunction causing any significant interruption. CONTRACTOR must be at work site at agreed-upon time within 8 working hours of notification, 24/7/365. Overtime Rates of up to 1.5 times the Regular rate may apply.
 - 3. Emergency work is when there is a complete malfunction causing a complete interruption. CONTRACTOR must be at work site at

agreed-upon time within 2 hours of notification, 24/7/365. Doubletime Rates of up to 2.0 times the Regular rate may apply.

4. Premium Time (Overtime, Double-time) work is when CITY requires work that is outside of CITY's normal operational hours. Any work that CITY permits for CONTRACTOR's convenience outside of CITY's normal operational hours is not subject to any Premium Time rates. Premium Time rates are based on CONTRACTOR'S Regular rates multiplied by the appropriate factor.
5. CONTRACTOR shall notify City Representative immediately of issues that prevent responding by the above required times.

IV. General Requirements

- A. CONTRACTOR shall at all times comply with all applicable federal, state and local laws, regulations, statutes, orders and policies throughout the term of this Agreement.
- B. CONTRACTOR shall perform the Services according to all applicable industry standards and guidelines.
- C. CONTRACTOR shall not disclose any information in any form to any party other than CITY, unless CITY authorizes.

V. Scope of Services – Minimum Requirements

- A. CONTRACTOR shall provide fully-trained employees that are deemed acceptable by CITY perform the Services.
- B. CITY will refuse to permit any employee of CONTRACTOR considered by CITY in its sole discretion to be unacceptable to perform Services.
- C. CONTRACTOR shall provide everything necessary to perform Services including but not limited to all services, management, supervision, labor, handling, analysis, reports, supplies, equipment, transportation, insurances,

and related items and services at the all-inclusive lump sum stated in Exhibit B Compensation.

- D. CONTRACTOR shall provide Installation, connectivity, integration, and programming of all of the equipment listed in Exhibit 1: Estimate 0916-8170 and Exhibit 2: Estimate 0917-8306.
- E. CONTRACTOR shall provide additional as-needed repair and maintenance services upon City's request based on the Services Schedule subsection and Exhibit B Compensation subsection.

End of Exhibit A

EXHIBIT B
TERM AND COMPENSATION

I. Term

- A. The term of the agreement will be until project has been completed based on the Services Schedule stated in Exhibit A and for the additional as needed repair and maintenance services for a one-year base period with up to four optional one-year extensions based on available budget appropriations for a maximum term of five years.
- B. For each of the one-year extension terms, City and Contractor must agree mutually to extend the term prior to the expiration date of the current term. There are not automatic extensions. City Manager, on behalf of the City, may authorize any mutually-agreed upon extensions.

II. Compensation

A. Services

- 1. The compensation shall be at the maximum lump sum amount of \$79,568.91 for the Services, which is the aggregate of Exhibit 1: Estimate 0916-8170 for \$49,727.53 and Exhibit 2: Estimate 0917-8306 for \$29,841.38.

B. Additional As Needed Repair and Maintenance Services

- 1. The compensation shall be at the maximum rate of \$95.00 per hour for Routine Service Time, which is subject to Urgent and Emergency Premium rates and a 12% markup over costs for materials for additional as needed repair and maintenance services.
- 2. Pricing for materials, equipment, services, G & A, overhead, and profit (Pricing Components) shall remain fixed for the one-year base period of the contract.

3. Pricing for each of the one-year extension terms shall be negotiated prior to the expiration date of the then current term based on Pricing Components and the the most recent available month for the applicable Los Angeles-Riverside-Orange County, CA Consumer Price Index (CPI) in effect for Orange County, CA.
4. The maximum sum payable is \$25,000.00 per year and the maximum aggregate amount is \$125,000.00 for the maximum term of five years.

End of Exhibit B

EXHIBIT C INSURANCE REQUIREMENTS

I. Existing Coverage

- A. If CONTRACTOR uses existing coverage to comply with these requirements and that coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so.

II. Coverage Requirements

- A. The following coverages will be provided by CONTRACTOR and maintained on behalf of CITY and in accordance with the requirements set forth herein:
 - 1. Commercial General Liability/Umbrella Insurance. Primary insurance shall be provided on ISO-CGL form No. CG 00 01 11 85 or 88 or similar. Total limits shall be not less than two million dollars (\$2,000,000) per occurrence for all coverage and two million dollars (\$2,000,000) general aggregate.
 - 2. CITY and its officers, agents and employees shall be named as additional insureds using ISO additional insured endorsement form CG 20 10 11 85 or similar (in no event will CITY accept an endorsement form with an edition date later than 1990).
 - 3. General and Auto Liability Insurance Coverage shall be provided on a "per occurrence" basis and shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to CITY or any employee or agent of CITY. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Umbrella Liability Insurance (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum, and shall

include a "drop down" provision providing primary coverage above a maximum of \$25,000.00 self-insured retention for liability not covered by primary policies but covered by the umbrella policy.

4. Coverage shall be in the following form as to any underlying coverage. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. There shall be no cross-liability exclusion. Policies shall have concurrent starting and ending dates.
5. Business Auto/Umbrella Liability Insurance. Primary coverage shall be written on ISO Business Auto Coverage form CA 00 01 06 92 or similar including symbol 1 (Any Auto). Limits shall be no less than one million dollars (\$1,000,000) per accident. Starting and ending dates shall be concurrent. If CONTRACTOR owns no autos, a non-owned auto endorsement to the General Liability policy drafted above is acceptable.
6. Workers' Compensation/Employers' Liability shall be written on a policy form providing workers' compensation statutory benefits as required by law. Employers' liability limits shall be no less than one million dollars (\$1,000,000) per accident or disease. Employer's liability coverage shall be scheduled under any umbrella policy described above. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects the CITY, its officers, agents or employees.

B. Additional insurance requirements:

1. This Section supersedes all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
2. Nothing contained in this Section is to be construed as affecting or altering the legal status of the parties to this Agreement. The

insurance requirements set forth in this Section are intended to be separate and distinct from any other provision in this Agreement and shall be interpreted as such.

3. All insurance coverage and limits provided pursuant to this Agreement shall apply to the full extent of the policies involved, available, or applicable. Nothing contained in this Agreement or any other agreement relating to the CITY or its operations limits the application of each insurance coverage.
4. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only and is not intended by any party to be all-inclusive, or to the exclusion of other coverage, or a waiver of any type.
5. For purposes of insurance coverage only, this Agreement shall be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
6. All general or auto liability insurance coverage provided pursuant to this Agreement, or any other agreements pertaining to the performance of this Agreement, shall not prohibit CONTRACTOR, and CONTRACTOR's agents, officers, or employees from waiving the right of subrogation prior to a loss. Contractor hereby waives all rights of subrogation against CITY.
7. Unless otherwise approved by CITY, CONTRACTOR's insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best's" Insurance Guide rating of "A VII."

8. In the event any policy of insurance required by this Agreement does not comply with these requirements or is canceled and not replaced, CITY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CITY will be promptly reimbursed by CONTRACTOR. Upon CONTRACTOR's failure to make such reimbursement within 30 days of written demand, CITY may deduct that sum from any monies due CONTRACTOR hereunder or otherwise.
9. CONTRACTOR agrees to provide evidence of the insurance required herein, satisfactory to CITY, consisting of certificate(s) of insurance evidencing all of the coverages required and an additional insured endorsement to CONTRACTOR's general liability and umbrella liability policy (if any) using ISO form CG 20 10 11 85 or similar. Certificate(s) are to reflect that the insurer will provide 30 days' notice of any cancellation of coverage. CONTRACTOR agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regarding to any notice provisions. CONTRACTOR agrees to provide complete copies of policies to CITY upon request.
10. CONTRACTOR shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof shall be furnished within 72 hours of the expiration of the coverage.
11. Any actual or alleged failure on the part of CITY or any other additional insured under these requirements to obtain proof of insurance required under this Agreement in no way waives any right or remedy of CITY or any additional insured, in this or any other regard.

12. CONTRACTOR agrees to require all subcontractors or other parties hired for this project to provide general liability insurance naming as additional insureds all parties to this Agreement. CONTRACTOR agrees to obtain certificates evidencing such coverage and make reasonable efforts to ensure that such coverage is provided as required here. CONTRACTOR agrees to require that no contract used by any subcontractor, or contracts CONTRACTOR enters into on behalf of CITY, will reserve the right to charge back to CITY the cost of insurance required by this Agreement. CONTRACTOR agrees that upon request, all agreements with subcontractors or others with whom CONTRACTOR contracts on behalf of CITY will be submitted to CITY for review. Failure of CITY to request copies of such agreement will not impose any liability on CITY, its officers, agents, or employees.
13. If CONTRACTOR is a Limited Liability Company (LLC), general liability coverage must be amended so that the LLC and its managers, affiliates, employees, agents and other persons necessary or incidental to its operations are insureds.
14. CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR that includes CITY as a defendant. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims.

End of Exhibit C



TSC | Trinity Sound Company ®
1240 E. Ontario Ave.Suite 102-190
Corona, CA 92881 US
(909) 923-6640
devin@trinitysoundcompany.com
www.TrinitySoundCompany.com

EXHIBIT 1

ADDRESS

City of Brea
City of Brea
#1 Civic Center Circle
Brea, CA 92821

SHIP TO

City of Brea
City of Brea
#1 Civic Center Circle
Brea, CA 92821

ESTIMATE 0916-8170

DATE 09/01/2017

ACTIVITY	DATE	QTY	RATE	AMOUNT
Brea Civic Center Theatre	09/01/2017			
Yamaha QL5 Yamaha QL5 - 32 faders + 2 Master faders. 32 onboard Mic/Line analog inputs, 16 analog outputs. 64 mono + 8 stereo mixable channels	09/01/2017	1	12,934.88	12,934.88T
Yamaha RIO3224-D Yamaha RIO3224-D - 32 mic/line inputs, 16 analog outputs, 4 Stereo AES/EBU outputs, 44.1/48/88.2/96kHz Dante" digital network remote I/O unit. Rotary dial and dip switches for easy Rio ID set up. Remote controllable HA, +48V Phantom Power, HPF, 2 EtherCon® connectors. 5U Rackspaces. Dante" Virtual Soundcard license included	09/01/2017	1	6,841.70	6,841.70T
Yamaha RIO1608-D Yamaha RIO 1608-D - 16 mic/line inputs, 8 analog outputs, 44.1/48/88.2/96kHz Dante" digital network remote4,799.00N/A3,359.302091I/O unit. Rotary dial and dip switches for easy Rio ID set up. Remote controllable HA,+48V Phantom Power, HPF, 2 EtherCon® connectors. 3U Rackspaces. Dante" VirtualSoundcard license included	09/01/2017	1	3,863.20	3,863.20T
Nexo PS10U-TD-V3 Nexo PS10U-TD-V3 - Precision analog system controller for PS10-R2/LS600-SUB systems. Servo controlled VCEQ's provides precise dynamic control without spectral imbalance. 2 inputs, 3 outputs (PS10 L, R, LS600-SUB)	09/01/2017	1	718.20	718.20T
QSC PLD4.5 QSC PLD4.5 - 8000W Amplifier using FAST channel combining technology. 4 channels, 1200 watts/ch at 8, 2000 watts/ch at 4, 1600 watts/ch at 2.	09/01/2017	1	1,760.00	1,760.00T

ACTIVITY	DATE	QTY	RATE	AMOUNT
Nexo PS15U-R2 Nexo PS15U-R2 - High power 2-way, full range loudspeaker system with a multi-use cabinet adaptable for PA, stage monitoring, or fill applications with a 3" HF, a 2" throat, and a 15" LF driver. Operational from 50Hz to 18kHz +-3dB, peak SPL 136dB. Rotatable horn with a dispersion of 50 to 100 H x 55 V. Recommended use only with PS15U-TD-V3 TDController or appropriate NXAMP. Passive or active operation. Black painted finish	09/01/2017	2	2,173.50	4,347.00T
JBL VRX918S JBL VRX918S - 18" compact, flying subwoofer; 2268H Differential Drive® LF; integral flying hardware compatible with VRX932LA-1 and accessories; handles and pole mount deleted. White DuraFlex™ finish.	09/01/2017	2	1,158.59	2,317.18T
Cable Cable - Speaker, patching, CAT6	09/01/2017	1	575.00	575.00T
System Design System Design	09/01/2017	1	750.00	750.00
Rigging Rigging supplies	09/01/2017	1	750.00	750.00T
Install Install	09/01/2017	1	3,000.00	3,000.00
				Subtotal: 37,857.16
Monitor system	09/01/2017			
Nexo PS10U-TD-V3 Nexo PS10U-TD-V3 - Precision analog system controller for PS10-R2/LS600-SUB systems. Servo controlled VCEQ's provides precise dynamic control without spectral imbalance. 2 inputs, 3 outputs (PS10 L, R, LS600-SUB)	09/01/2017	2	724.50	1,449.00T
QSC PLD4.5 QSC PLD4.5 - 8000W Amplifier using FAST channel combining technology. 4 channels, 1200 watts/ch at 8, 2000 watts/ch at 4, 1600 watts/ch at 2.	09/01/2017	1	1,760.00	1,760.00T
Nexo PS10U-R2 Nexo PS10U-R2 - 10" compact 2-way, full range loudspeaker system with a multi-use cabinet adaptable for PA, stage monitoring or fill applications. Recommended use only with PS10U-TD-V3 or NX242-ES4 TDController or appropriate NXAMP. Black painted finish	09/01/2017	4	1,338.60	5,354.40T
				Subtotal: 8,563.40
Client to provide cable runs and speaker rigging. TSC to terminate all connections, tune, and calibrate system	09/01/2017			

SUBTOTAL

46,420.56

TAX (7.75%)

3,306.97

TOTAL

\$49,727.53

Accepted By

Accepted Date



TSC | Trinity Sound Company ®
1240 E. Ontario Ave. Suite 102-190
Corona, CA 92881 US
(909) 923-6640
devin@trinitysoundcompany.com
www.TrinitySoundCompany.com

EXHIBIT 2

ADDRESS

City of Brea - Community Services
#1 Civic Center Circle
Brea, CA 92821

SHIP TO

City of Brea
City of Brea
#1 Civic Center Circle
Brea, CA 92821

ESTIMATE 0917-8306

DATE 09/01/2017

ACTIVITY	DATE	QTY	RATE	AMOUNT
City of Brea - Theater Sound and Communications System	09/01/2017			
Distributed system - 8 input, 8 outputs, 12 production zones				
Middle Atlantic ERK-1820LRD Middle Atlantic ERK-1820LRD - 18 SPACE (31 1/2), 19 1/2 DEEP STAND ALONE RACK WITHOUT REAR DOOR, BLACK FINISH	09/01/2017	1	449.49	449.49T
Middle Atlantic LVFD-18 Middle Atlantic LVFD-18 - VENTED FRONT DOOR, 64% OPEN AREA, FITS 18 SPACE DWR AND ERK SERIES RACKS, BLACK FINISH	09/01/2017	1	274.50	274.50T
Middle Atlantic EVTA-1 Middle Atlantic EVTA-1 - 1 SPACE (1 3/4") VENT, VERTICAL SLOTS, BLACK BRUSHED FINISH	09/01/2017	8	24.78	198.24T
Furman P-1800 Furman P-1800 - Furman P-1800 AR Voltage Regulator / Power Conditioner	09/01/2017	1	683.65	683.65T
QSC CORE 110f QSC CORE 110f - Unified Series Core with 24 local I/O channels, 128x128 network I/O channels, dual LAN ports, telephone POTS, two GPIO blocks, 16 AEC channels, 1RU	09/01/2017	1	2,070.00	2,070.00T
QSC I/O FRAME KIT QSC I/O FRAME KIT - I/O frame, 16x16 network I/O channels, four card slots, dual Ethernet ports for network redundancy, and one GPIO port, 1RU (Field Configurable)	09/01/2017	1	1,610.00	1,610.00T
QSC COL4 KIT QSC COL4 KIT - Four channels of balanced, line-level analog output (Field Configured packaged individually)	09/01/2017	4	272.50	1,090.00T
QSC PS-1600H QSC PS-1600H - Q-Sys 16-Button Wall Mounted Page Station; available with Hand Held (H) or Gooseneck (G) Microphone	09/01/2017	2	1,673.25	3,346.50T
QSC WCP-1 QSC WCP-1 - Wall Control Plate with Rotary Potentiometer	09/01/2017	12	63.25	759.00T

ACTIVITY	DATE	QTY	RATE	AMOUNT
QSC CXD4.3Q QSC CXD4.3Q - 4000W Q-Sys Network Amplifier using FAST channel combining technology. 4 Mic/Line input channels. 900 watts/ch at 8 , 1400 watts/ch at 4 , 1200 watts/ch at 2 , 500 watts/ch direct drive 100V, 625 watts/ch direct drive 70V.	09/01/2017	3	1,955.00	5,865.00T
Apple Ipad 2 Apple Ipad 2	09/01/2017	1	499.00	499.00T
Premier Mounts IPM-450 Premier Mounts IPM-450 - ipad rack mount	09/01/2017	1	224.87	224.87T
JBL CONTROL 24CT JBL CONTROL 24CT - Control 24C with Transformer. For use on a 70.7V or 100V Distributed Line, Switchable Taps at 30W, 15W and 7.5W (Plus 3.7W at 70.7V only), No SonicGuard. Priced as Each, Packed as Pairs.	09/01/2017	16	100.71	1,611.36T
Whirlwind W14GA Whirlwind W14GA - Bulk, 14 gauge speaker wire, unshielded, overall jacket	09/01/2017	1	1,050.00	1,050.00T
Whirlwind W9451 Whirlwind W9451 - Bulk, Mic, single pair , 22 AWG, foil shielded bonded to jacket, CM	09/01/2017	500	0.75	375.00T
Bulk Cable Bulk Cable - 1000FT 24AWG Cat5e 350MHz STP Solid	09/01/2017	3	359.00	1,077.00T
NETGEAR RangeMax WNR1000 NETGEAR RangeMax WNR1000 - NETGEAR RangeMax WNR1000 Wireless Router	09/01/2017	1	68.99	68.99T
NETGEAR NG-GS728TP-100N NETGEAR NG-GS728TP-100N - NetGear GS728TP-100NAS ProSAFE 28-Port Gigabit PoE PLUS Smart Managed Switch with 4 Dedicated SFP Ports (16 PoE/ 8 PoE-P	09/01/2017	1	575.52	575.52T
QSC AD-S8T-WH QSC AD-S8T-WH - Two-way,8" Surface Mount, Weather-resistant,Foreground/Background Loudspeaker with 70/100V transformer & 8Ω bypass, includes mounting hardware, Available in black or white.	09/01/2017	1	285.18	285.18T
GEEYA R303 GEEYA R303 - GEEYA R303 Multifunction 300Mbps Wireless Travel Router, WiFi Repeater, AP, Range Extender features IP QoS and WPS	09/01/2017	1	338.10	338.10T
Install Install - estimated install time -TBA	09/01/2017	1	3,800.00	3,800.00
System Design System Design - QSC QSYS programming	09/01/2017	1	1,850.00	1,850.00

ACTIVITY	DATE	QTY	RATE	AMOUNT
1)Dressing Rooms A+B	09/01/2017			
-One zone, but maybe individual level control for each room (maybe 2 separate zones is easier?)				
-Paging capabilities				
-Live stage feed option				
-Pre-recorded announcement playback				
-Volume and mute control				
2)Dressing Room C				
-Paging capabilities				
-Live stage feed option				
-Pre-recorded announcement playback				
-Volume and mute control				
3)Scene Shop				
-Paging capabilities				
-Live stage feed option				
-Pre-recorded announcement playback				
-Volume and mute control in each room				
4)Backstage Restrooms				
-One zone, but maybe individual level control for each room (maybe 2 separate zones is easier?)				
-Paging capabilities				
-Live stage feed option				
5)Green Room				
-Paging capabilities				
-Live stage feed option				
-Pre-recorded announcement playback				
-Volume and mute control				
6)Office				
-Paging capabilities				
-Live stage feed option				
-Volume and mute control				
-Ability to page all zones				
-Ability to control all zones				
7)Lobby				
-Paging capabilities				
-Live stage feed option				
-Pre-recorded announcement playback				
-Music playback				
-Lobby chime				
8)Lobby Restrooms				
-One zone(maybe 2 separate zones is easier?)				
-Live stage feed option				
-Pre-recorded announcement playback				
-Music playback				
-Lobby chime				
9)Lobby Exterior				
-Paging capabilities				

ACTIVITY	DATE	QTY	RATE	AMOUNT
Client to pull all cable runs - TSC will terminate all connections, test and calibrate system	09/01/2017			
SUBTOTAL				28,101.40
TAX (7.75%)				1,739.98
TOTAL				\$29,841.38

Accepted By

Accepted Date



TSC1T-1

OP ID: DM

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

07/07/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Supple-Merrill & Driscoll Inc. Insurance Agents and Brokers P. O. Box 2408 Pasadena, CA 91102 David L. Merrill	626-795-9921	CONTACT NAME: David L. Merrill PHONE (A/C, No, Ext): 626-795-9921 FAX (A/C, No): 626-577-6656 E-MAIL ADDRESS: david@productioninsurance.com
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A : Fireman's Fund Insurance Co.		21873
INSURER B :		
INSURER C :		
INSURER D :		
INSURER E :		
INSURER F :		

INSURED TSC Trinity Sound Company Devin DeVore 1240 E. Ontario Ave, 102-190 Corona, CA 92881	
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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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:	X		XXC80506369	06/30/2017	06/30/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Rented Equipment			MSF07203079	06/30/2017	06/30/2018	Rent Eq 225,000
A	Owned Equipment			MSF07203079	06/30/2017	06/30/2018	Owned Eq 225,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Brea, its elected and appointed officials, employees and volunteers are included as insured by endorsement. This coverage shall be primary and City insurance shall not be contributory. There shall be no subrogation against the City. No cancellation or material change shall be made without thirty (30) days written notice to the City.

CERTIFICATE HOLDER

CANCELLATION

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

Waiver of Transfer of Rights of Recovery Against Others to Us CG 24 04 05 09

Policy Amendment(s) Commercial General Liability

Insured: Trinity Sound Company

Policy Number: E92 XXC80506369

Producer: U.S. RISK, LLC

Effective Date: 7/31/2017

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

City of Brea

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**. The waiver applies only to the person or organization shown in the Schedule above.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the Fireman's Fund Insurance Companies as named in the policy



Secretary



President

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – STATE
OR GOVERNMENTAL AGENCY OR SUBDIVISION
OR POLITICAL SUBDIVISION – PERMITS
OR AUTHORIZATIONS RELATING TO PREMISES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

State Or Governmental Agency Or Subdivision Or Political Subdivision:

City of Brea

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 any state or governmental agency or subdivision or political subdivision shown in the Schedule, subject to the following additional provision:

This insurance applies only with respect to the following hazards for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization in connection with premises you own, rent or control and to which this insurance applies:

1. The existence, maintenance, repair, construction, erection or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures; or
2. The construction, erection or removal of elevators; or
3. The ownership, maintenance or use of any elevators covered by this insurance.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Bill Gallardo

DATE: 12/12/2017

SUBJECT: Lease and Maintenance of Digital Printing/Copying Equipment

RECOMMENDATION

Authorize the Purchasing Agent to execute the lease and maintenance agreements with the Xerox Corporation for a total of \$129,527.40 based on a 60-month lease of digital printing/copying equipment plus as-needed print charges of \$27,434.25 per year, and to issue annual purchase orders based on available budget appropriations.

BACKGROUND/DISCUSSION

The City's reprographics services utilize digital printing/copying equipment (equipment) to facilitate its printing and copying requirements. This equipment prints about 2.1 million pieces per year of color brochures, business cards, catalogs, event programs, invitations, postcards, presentation documents, and more for the City and its client agencies.

Since the lease for this equipment will terminate in December 2017, staff reviewed its needs; sought a variety of proposals from the Xerox Corporation (the current vendor), which were based on a competitively bid National Joint Powers Alliance (NJPA) cooperative purchasing contract; and visited a nearby city for equipment demonstrations.

The scenario that best meets Brea's current print production requirements and provides significant cost savings was to return one of the two black and white units to Xerox at the end of the lease due to underutilization; re-lease the remaining black and white unit; and lease a new replacement color unit that prints 45% faster, handles heavier paper stock, and prints double-sided.

The proposed equipment, maintenance, and supplies, excluding paper, is \$25,905.48 annually. These types of leases also include a per page print charge, which is in addition to the equipment lease and maintenance charges. Based on the fixed meter rates and an estimated annual volume of 2.1 million prints, the print charges would be about \$27,434.25 annually for a total cost of \$53,339.73. The summary below provides the current costs, projected costs, and projected savings.

<u>Current</u> <u>Annual Costs</u>	<u>Projected</u> <u>Annual Costs</u>	<u>Projected</u> <u>Annual Savings</u>	<u>Projected</u> <u>Five-Year Savings</u>
\$84,131.53	\$53,339.73	\$30,791.80	\$153,959.00

The lease and maintenance terms allow for the agreements to be terminated, with a 30-day notice prior to the beginning of each fiscal year, should the City's printing needs change.

SUMMARY/FISCAL IMPACT

The reduced costs, faster output, and enhanced capabilities will help Brea continue to provide excellent reprographic services for the City. The new lease will result in a projected savings to the General Fund of \$153,959.00 over the five-year agreement. To take maximize these savings, staff reviewed and adjusted its requirements in coordination with last-minute special discounts offers made by Xerox that will expire December 31, 2017.

The Fiscal Year 2017-18 budget has sufficient funding available in the Administrative Services Department's Purchasing Division Account (110-14-1441-4253).

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Neil Groom, Procurement and Contracts Administrator

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Agreement

AGREEMENT

Lease Agreement



Customer: CITY OF BREA

BillTo: CITY OF BREA
BSMT P2
1 CIVIC CENTER CIR
BREA, CA 92821-5792
State or Local Government

Install: CITY OF BREA
BSMT P2
1 CIVIC CENTER CIR
BREA, CA 92821-5792

Solution

Item	Product Description	Agreement Information	Requested Effective Date
1. D110CPC (SOT-D110 COPR/PRINTR)	S/N BG0962090 - Standard Install - Integrated Sq Trimr - D4 Z-folder - 2 Tray Oversize Hcf - D5 Bkltfinshr Xc 2/3	Lease Term: 60 months Purchase Option: FMV This agreement modifies the current Xerox Agreement 957992431 for D110CPC S/N BG0962090 as of payment 60.	1/1/2018

Monthly Pricing

Item	Lease Minimum Payment	Print Charges			Maintenance Plan Features
		Meter	Volume Band	Per Print Rate	
1. D110CPC	\$665.82	1: Black and White Impressions	All Prints	\$0.0068	- Consumable Supplies Included for all prints - Pricing Fixed for Term
Total	\$665.82	Minimum Payments (Excluding Applicable Taxes)			

Authorized Signature

<p>Customer acknowledges receipt of the terms of this agreement which consists of 4 pages including this face page.</p> <p>Signer: Neil Groom Phone: (714)990-7708</p> <p>Signature: _____ Date: _____</p>		<p>Thank You for your business!</p> <p>This Agreement is proudly presented by Xerox and</p> <p>Michael Feeney (714)565-1140</p> <p>For information on your Xerox Account, go to www.xerox.com/AccountManagement</p>
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Terms and Conditions

INTRODUCTION:

1. TOTAL SATISFACTION GUARANTEE. If you are not totally satisfied with any Xerox-brand Equipment delivered under this Agreement, Xerox will, at your request, replace it without charge with an identical model or, at Xerox's option, with Xerox Equipment with comparable features and capabilities. This Guarantee applies only to Xerox-brand Equipment that has been continuously maintained by Xerox under this Agreement or a Xerox maintenance agreement. For "Previously Installed" Equipment, this Guarantee will be effective for 1 year after installation. For all other Equipment, this Guarantee will be effective for 3 years after installation unless the Equipment is being financed under this Agreement for more than 3 years, in which event it will expire at the end of the initial Term of this Agreement.

GOVERNMENT TERMS:

2. REPRESENTATIONS & WARRANTIES. This provision is applicable to governmental entities only. You represent and warrant, as of the date of this Agreement, that: (1) you are a State or a fully constituted political subdivision or agency of the State in which you are located and are authorized to enter into, and carry out, your obligations under this Agreement and any other documents required to be delivered in connection with this Agreement (collectively, the "Documents"); (2) the Documents have been duly authorized, executed and delivered by you in accordance with all applicable laws, rules, ordinances and regulations (including all applicable laws governing open meetings, public bidding and appropriations required in connection with this Agreement and the acquisition of the Products) and are valid, legal, binding agreements, enforceable in accordance with their terms; (3) the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body and hold the offices indicated below their signatures, each of which are genuine; (4) the Products are essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and will be used during the Term only by you and only to perform such function; and (5) your payment obligations under this Agreement constitute a current expense and not a debt under applicable state law and no provision of this Agreement constitutes a pledge of your tax or general revenues, and any provision that is so construed by a court of competent jurisdiction is void from the inception of this Agreement.

3. FUNDING. This provision is applicable to governmental entities only. You represent and warrant that all payments due and to become due during your current fiscal year are within the fiscal budget of such year and are included within an unrestricted and unencumbered appropriation currently available for the purchase/maintenance of the Products, and it is your intent to use the Products for the entire term and to make all payments required under this Agreement. If (1) through no action initiated by you, your legislative body does not appropriate funds for the continuation of this Agreement for any fiscal year after the first fiscal year ~~and has no funds to do so from other sources, and (2) you have made a reasonable but unsuccessful effort to find a creditworthy assignee acceptable to Xerox in its sole discretion within your general organization who can continue this Agreement,~~ this Agreement may be terminated. To effect this termination, you must, at least 30 days prior to the beginning of the fiscal year for which your legislative body does not appropriate funds, notify Xerox in writing that your legislative body failed to appropriate funds and that you have made the required effort to find an assignee. Your notice must be accompanied by payment of all sums then owed through the current year under this Agreement. You will return the Equipment, at your expense, to a location designated by Xerox and, when returned, the Equipment will be in good condition and free of all liens and encumbrances. You will then be released from any further payment obligations beyond those payments due for the current fiscal year (with Xerox retaining all sums paid to date).

SOLUTION/SERVICES:

4. PRODUCTS. "Products" means the equipment ("Equipment"), Software and supplies identified in this Agreement. You agree the Products are for your business use (not resale) in the United States and its territories and possessions ("U.S.") and will not be used for personal, household or family purposes.

5. CONSUMABLE SUPPLIES. Consumable Supplies vary depending upon the Equipment model. If "Consumable Supplies" is identified in Maintenance Plan features, Consumable Supplies include: (i) for black and white Equipment, standard black toner and/or dry ink, black developer, Copy Cartridges, and, if applicable, fuser agent required to make impressions; (ii) for full color Equipment, the items in (i) plus standard cyan, magenta, and yellow toners and dry inks (and their associated developers); and, (iii) for Equipment identified as "Phaser", only, if applicable, black solid ink, color solid ink, imaging units, waste cartridges, transfer rolls, transfer belts, transfer units, belt cleaner, maintenance kits, print Cartridges, drum Cartridges, waste trays and cleaning

kits. Unless otherwise set forth herein, Consumable Supplies exclude paper and staples. Xerox may charge a shipping and handling fee for Consumable Supplies. Consumable Supplies are Xerox's property until used by you, and you will use them only with the Equipment for which "Consumable Supplies" is identified in Maintenance Plan Features. If Consumable Supplies are furnished with recycling information, you will return the used item to Xerox for remanufacturing. Shipping information is available at Xerox.com/GWA. Upon expiration of this Agreement, you will include any unused Consumable Supplies with the Equipment for return to Xerox at the time of removal. If your use of Consumable Supplies exceeds Xerox's published yield by more than 10%, Xerox will notify you of such excess usage. If such excess usage does not cease within 30 days after such notice, Xerox may charge you for such excess usage. Upon request, you will provide current meter reads and/or an inventory of Consumable Supplies in your possession.

6. CARTRIDGES. If Xerox is providing Maintenance Services for Equipment utilizing cartridges designated by Xerox as customer replaceable units, including copy/print cartridges and xerographic modules or fuser modules ("Cartridges"), you agree to use only unmodified Cartridges purchased directly from Xerox or its authorized resellers in the U.S. Cartridges packed with Equipment and replacement Cartridges may be new, remanufactured or reprocessed. Remanufactured and reprocessed Cartridges meet Xerox's new Cartridge performance standards and contain new or reprocessed components. To enhance print quality, Cartridge(s) for many models of Equipment have been designed to cease functioning at a predetermined point. In addition, many Equipment models are designed to function only with Cartridges that are newly manufactured original Xerox Cartridges or with Cartridges intended for use in the U.S.

7. MAINTENANCE SERVICES. Except for Equipment identified as "No Svc.", Xerox (or a designated servicer) will keep the Equipment in good working order ("Maintenance Services"). The provision of Maintenance Services is contingent upon you facilitating timely and efficient resolution of Equipment issues by: (a) utilizing customer-implemented remedies provided by Xerox; (b) replacing Cartridges; and (c) providing information to and implementing recommendations provided by Xerox telephone support personnel. If an Equipment issue is not resolved after completion of (a) through (c) above, Xerox will provide on-site support as provided herein. Maintenance Services will be provided during Xerox's standard working hours in areas open for repair service for the Equipment. Maintenance Services excludes repairs due to: (i) misuse, neglect or abuse; (ii) failure of the installation site or the PC or workstation used with the Equipment to comply with Xerox's published specifications; (iii) use of options, accessories or products not serviced by Xerox; (iv) non-Xerox alterations, relocation, service or supplies; or (v) failure to perform operator maintenance procedures identified in operator manuals. Replacement parts may be new, reprocessed or recovered and all replaced parts become Xerox's property. Xerox will, as your exclusive remedy for Xerox's failure to provide Maintenance Services, replace the Equipment with an identical model or, at Xerox's option, another model with comparable features and capabilities. There will be no additional charge for the replacement Equipment during the remainder of the initial Term. If meter reads are a component of your Maintenance Plan, you will provide them using the method and frequency identified by Xerox. If you do not provide a meter reading for Equipment not capable of Remote Data Access, or if Remote Data Access is interrupted, Xerox may estimate the reading and bill you accordingly.

8. EQUIPMENT STATUS. Unless you are acquiring "Previously Installed" Equipment, Equipment will be (1) "Newly Manufactured", which may contain some reconditioned components; (2) "Factory Produced New Model", which is manufactured and newly serialized at a Xerox factory, adds functions and features to a product previously disassembled to a Xerox predetermined standard, and contains new and reconditioned components; or (3) "Remanufactured", which has been factory produced following disassembly to a Xerox predetermined standard and contains new and reconditioned components.

9. SOFTWARE LICENSE. Xerox grants you a non-exclusive, non-transferable license to use in the U.S.: (a) software and accompanying documentation provided with Xerox-brand Equipment ("Base Software") only with the Xerox-brand Equipment with which it was delivered; and (b) software and accompanying documentation identified in this Agreement as "Application Software" only on any single unit of equipment for as long as you are current in the payment of all applicable software license fees. "Base Software" and "Application Software" are referred to collectively as "Software". You have no other rights and may not: (1) distribute, copy, modify, create derivatives of, decompile, or reverse engineer Software; (2) activate Software delivered with the Equipment in an inactivated state; or (3) allow others to engage in same. Title to, and

Terms and Conditions

all intellectual property rights in, Software will reside solely with Xerox and/or its licensors (who will be considered third-party beneficiaries of this Section). Software may contain code capable of automatically disabling the Equipment. Disabling code may be activated if: (x) Xerox is denied access to periodically reset such code; (y) you are notified of a default under this Agreement; or (z) your license is terminated or expires. The Base Software license will terminate; (i) if you no longer use or possess the Equipment; (ii) you are a lessor of the Equipment and your first lessee no longer uses or possesses it; or (iii) upon the expiration or termination of this Agreement, unless you have exercised your option to purchase the equipment. Neither Xerox nor its licensors warrant that Software will be free from errors or that its operation will be uninterrupted. The foregoing terms do not apply to Diagnostic Software or to software/documentation accompanied by a clickwrap or shrinkwrap license agreement or otherwise made subject to a separate license agreement.

10. SOFTWARE SUPPORT. Xerox (or a designated servicer) will provide the software support set forth below ("Software Support"). For Base Software, Software Support will be provided during the initial Term and any renewal period but in no event longer than 5 years after Xerox stops taking customer orders for the subject model of Equipment. For Application Software, Software Support will be provided as long as you are current in the payment of all applicable software license and support fees. Xerox will maintain a web-based or toll-free hotline during Xerox's standard working hours to report Software problems and answer Software-related questions. Xerox, either directly or with its vendors, will make reasonable efforts to: (a) assure that Software performs in material conformity with its user documentation; (b) provide available workarounds or patches to resolve Software performance problems; and (c) resolve coding errors for (i) the current Release and (ii) the previous Release for a period of 6 months after the current Release is made available to you. Xerox will not be required to provide Software Support if you have modified the Software. New releases of Software that primarily incorporate compliance updates and coding error fixes are designated as "Maintenance Releases" or "Updates". Maintenance Releases or Updates that Xerox may make available will be provided at no charge and must be implemented within six months. New releases of Software that include new content or functionality ("Feature Releases") will be subject to additional license fees at Xerox's then-current pricing. Maintenance Releases, Updates and Feature Releases are collectively referred to as "Releases". Each Release will be considered Software governed by the Software License and Software Support provisions of this Agreement (unless otherwise noted). Implementation of a Release may require you to procure, at your expense, additional hardware and/or software from Xerox or another entity. Upon installation of a Release, you will return or destroy all prior Releases.

11. DIAGNOSTIC SOFTWARE. Software used to evaluate or maintain the Equipment ("Diagnostic Software") is included with the Equipment. Diagnostic Software is a valuable trade secret of Xerox. Title to Diagnostic Software will remain with Xerox or its licensors. Xerox does not grant you any right to use Diagnostic Software, and you will not access, use, reproduce, distribute or disclose Diagnostic Software for any purpose (or allow third parties to do so). You will allow Xerox reasonable access to the Equipment to remove or disable Diagnostic Software if you are no longer receiving Maintenance Services from Xerox; provided that any on-site access to your facility will be during your normal business hours.

PRICING PLAN/OFFERING SELECTED:

12. COMMENCEMENT & TERM. This Agreement is valid when accepted by Xerox. The Term for each unit of Equipment will commence upon: (i) the delivery of customer-installable Equipment; or (ii) the installation of Xerox-installable Equipment ("Commencement Date") and will continue for the number of full calendar months shown as "Lease Term" on the face of this Agreement. Any partial month in the Term will be billed on a pro rata basis, based on a 30 day month. Unless either party provides notice of termination at least thirty days before the expiration of the initial Term, it will renew automatically on a month-to-month basis on the same terms and conditions. During this renewal period, either party may terminate the Equipment upon at least 30 days notice. Upon termination, you will make the Products available for removal by Xerox. At the time of removal, the Equipment will be in the same condition as when delivered (reasonable wear and tear excepted).

13. PAYMENT. Payment (including applicable Taxes) is due within 30 days after the invoice date, with all charges being billed in arrears. This Agreement will not be automatically renewed.

14. LATE CHARGE. If a payment is not received by Xerox within 10 days after the due date, Xerox may charge, and you will pay, a late charge of 5% of the amount due or \$25, whichever is greater.

15. FIXED PRICING. If "Pricing Fixed for Term" is identified in Maintenance Plan Features, the maintenance component of the Minimum Payment and Print Charges will not increase during the initial Term of this Agreement.

16. DELIVERY, REMOVAL & RELOCATION. Equipment prices include standard delivery charges and, for Xerox-owned Equipment, standard removal charges. Charges for non-standard delivery or removal and for any Equipment relocation are your responsibility. Relocation of Xerox-owned Equipment must be arranged (or approved in advance) by Xerox and may not be to a location outside of the U.S.

17. TAXES. You will be responsible for all applicable taxes, fees or charges of any kind (including interest and penalties) assessed by any governmental entity on this Agreement or the amounts payable under this Agreement ("Taxes"), which will be included in Xerox's invoice unless you timely provide proof of your tax exempt status. Taxes do not include personal property taxes in jurisdictions where Xerox is required to pay personal property taxes, and taxes on Xerox's income. This Agreement is a lease for all income tax purposes and you will not claim any credit or deduction for depreciation of the Equipment, or take any other action inconsistent with your role as lessee of the Equipment.

18. PURCHASE OPTION. If not in default, you may purchase the Equipment, "AS IS, WHERE IS" and WITHOUT ANY WARRANTY AS TO CONDITION OR VALUE, at the end of the initial Term for the "Purchase Option" indicated on the face of this Agreement (i.e., either a set dollar amount or the fair market value of the Equipment at the expiration of the initial Term), plus all applicable Taxes.

19. DEFAULT & REMEDIES. You will be in default under this Agreement if (1) Xerox does not receive any payment within 15 days after the date it is due, or (2) you breach any other obligation in this or any other agreement with Xerox. If you default, Xerox may, in addition to its other remedies (including cessation of Maintenance Services), remove the Equipment at your expense and require immediate payment, as liquidated damages for loss of bargain and not as a penalty, of: (a) all amounts then due, plus interest from the due date until paid at the rate of 1.5% per month; (b) the Minimum Payments (less the Maintenance Services and Consumable Supplies components thereof, as reflected on Xerox's books and records) remaining in the Term, discounted at 4% per annum; (c) the applicable Purchase Option; and (d) all applicable Taxes. You will pay all reasonable costs, including attorneys' fees, incurred by Xerox to enforce this Agreement. If you make the Equipment available for removal by Xerox within 30 days after notice of default, in the same condition as when delivered (reasonable wear and tear excepted), you will receive a credit for the fair market value of the Equipment as determined by Xerox, less any costs incurred by Xerox.

20. DATA SECURITY. Certain models of Equipment can be configured to include a variety of data security features. There may be an additional cost associated with certain data security features. The selection, suitability and use of data security features are solely your responsibility. Upon request, Xerox will provide additional information to you regarding the security features available for particular Equipment models.

GENERAL TERMS & CONDITIONS:

21. NON-CANCELABLE AGREEMENT. THIS AGREEMENT CANNOT BE CANCELED OR TERMINATED EXCEPT AS EXPRESSLY PROVIDED HEREIN. YOUR OBLIGATION TO MAKE ALL PAYMENTS, AND TO PAY ANY OTHER AMOUNTS DUE OR TO BECOME DUE, IS ABSOLUTE AND UNCONDITIONAL AND NOT SUBJECT TO DELAY, REDUCTION, SET-OFF, DEFENSE, COUNTERCLAIM OR RECOUPMENT FOR ANY REASON WHATSOEVER, IRRESPECTIVE OF XEROX'S PERFORMANCE OF ITS OBLIGATIONS HEREUNDER. ANY CLAIM AGAINST XEROX MAY BE ASSERTED IN A SEPARATE ACTION AND SOLELY AGAINST XEROX.

22. REPRESENTATIONS. The individuals signing this Agreement are duly authorized to do so and all financial information you provide completely and accurately represents your financial condition.

23. LIMITATION OF LIABILITY. For claims arising out of or relating to this Agreement whether the claim alleges tortious conduct (including negligence) or any other legal theory, but excepting liability under the indemnification obligations set forth in this Agreement, Xerox will not be liable to you for any direct damages in excess of \$10,000 or the amounts paid hereunder, whichever is greater, and neither party will be liable to the other for any special, indirect, incidental, consequential or punitive damages. Any action you take against Xerox must be commenced within 2 years after the event that caused it.

24. CREDIT REPORTS. You authorize Xerox or its agent to obtain credit reports from commercial credit reporting agencies.

Terms and Conditions

25. FORCE MAJEURE. Xerox will not be liable to you during any period in which its performance is delayed or prevented, in whole or in part, by a circumstance beyond its reasonable control. Xerox will notify you if such a circumstance occurs.

26. PROTECTION OF XEROX'S RIGHTS. You authorize Xerox or its agent to file, by any permissible means, financing statements necessary to protect Xerox's rights as lessor of the Equipment. You will promptly notify Xerox of a change in ownership, or if you relocate your principal place of business or change the name of your business.

27. WARRANTY DISCLAIMER. XEROX DISCLAIMS THE IMPLIED WARRANTIES OF NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE. This Agreement is a "finance lease" under Article 2A of the Uniform Commercial Code and, except to the extent expressly provided herein, and as permitted by applicable law, you waive all of your rights and remedies as a lessee under Article 2A.

28. INTELLECTUAL PROPERTY INDEMNITY. Xerox will defend, and pay any settlement agreed to by Xerox or any final judgment for, any claim that a Xerox-brand Product infringes a third party's U.S. intellectual property rights. You will promptly notify Xerox of any alleged infringement and permit Xerox to direct the defense. Xerox is not responsible for any non-Xerox litigation expenses or settlements unless it pre-approves them in writing. To avoid infringement, Xerox may modify or substitute an equivalent Xerox-brand Product, refund the price paid for the Xerox-brand Product (less the reasonable rental value for the period it was available to you), or obtain any necessary licenses. Xerox is not liable for any infringement based upon a Xerox-brand Product being modified to your specifications or being used or sold with products not provided by Xerox.

29. TITLE & RISK OF LOSS AND INSURANCE. Until you exercise your Purchase Option: (a) title to Equipment will remain with Xerox; (b) Equipment will remain personal property; (c) you will not attach the Equipment as a fixture to any real estate; (d) you will not pledge, sublease or part with possession of it, or file or permit to be filed any lien against it; and, (e) you will not make any permanent alterations to it. Risk of loss passes to you upon delivery and remains with you until Xerox removes the Equipment. You will keep the Equipment insured against loss or damage and the policy will name Xerox as a loss payee ("Required Insurance"). You must provide Xerox or our agents, designees or assigns with satisfactory evidence of Required Insurance within 30 days of the commencement of this Agreement or any subsequent written request by Xerox or our agents, designees or assigns. IF YOU DO NOT PROVIDE SUCH EVIDENCE, THEN, IN LIEU OF OTHER REMEDIES FOR DEFAULT, XEROX, IN ITS DISCRETION AND AT ITS SOLE OPTION, MAY OBTAIN INSURANCE FROM AN INSURER OF ITS CHOOSING, IN SUCH FORMS AND AMOUNTS AS XEROX DEEMS REASONABLE TO PROTECT ITS INTERESTS (COLLECTIVELY "EQUIPMENT INSURANCE"). EQUIPMENT INSURANCE WILL COVER THE EQUIPMENT AND XEROX; IT WILL NOT NAME YOU AS AN INSURED, MAY NOT COVER ALL OF YOUR OBLIGATIONS UNDER THIS AGREEMENT AND WILL BE SUBJECT TO CANCELLATION BY XEROX OR THE INSURER AT ANY TIME. YOU AGREE TO PAY XEROX PERIODIC CHARGES FOR SUCH EQUIPMENT INSURANCE (COLLECTIVELY "INSURANCE CHARGES") THAT INCLUDE AN INSURANCE PREMIUM THAT MAY BE HIGHER THAN IF YOU MAINTAINED THE REQUIRED INSURANCE SEPARATELY AND/OR BILLING AND PROCESSING FEES WHICH MAY GENERATE A PROFIT TO XEROX OR A THIRD PARTY. XEROX MAY ADD INSURANCE CHARGES TO EACH INVOICE. **XEROX SHALL DISCONTINUE BILLING OR DEBITING INSURANCE CHARGES FOR EQUIPMENT INSURANCE UPON RECEIPT FROM YOU OF SATISFACTORY EVIDENCE OF REQUIRED INSURANCE.** Neither loss nor damage to Equipment or Xerox's receipt of insurance proceeds relieve you of any of your remaining obligations under this Agreement. YOU AGREE (i) AT XEROX'S OPTION, TO ARBITRATE ANY DISPUTE WITH XEROX OR OUR AGENTS, DESIGNEES OR ASSIGNS REGARDING THE EQUIPMENT INSURANCE AND/OR INSURANCE CHARGES UNDER THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION IN MONROE COUNTY, NY, (ii) ARBITRATION (NOT A COURT) IS THE EXCLUSIVE REMEDY FOR SUCH DISPUTES; AND (iii) CLASS ARBITRATION IS NOT PERMITTED. This arbitration requirement does not apply to any other provision of this Agreement.

30. ASSIGNMENT. Except for assignment by Xerox to a parent, subsidiary or affiliate of Xerox, or to securitize this Agreement as part of a financing transaction ("Permitted Assignment"), neither party will assign any of its rights or obligations under this Agreement without the prior written consent of the other party. In the event of a

Permitted Assignment: (a) Xerox may, without your prior written consent, release to the proposed assignee information it has about you related to this Agreement; (b) the assignee will have all of the rights but none of the obligations of Xerox hereunder; (c) you will continue to look to Xerox for performance of Xerox's obligations, including the provision of Maintenance Services; (d) you waive and release the assignee from any claim relating to or arising from the performance of Xerox's obligations hereunder; (e) you shall not assert any defense, counterclaim or setoff you may have against an assignee; and (f) you will remit payments in accordance with instructions of the assignee.

31. MISCELLANEOUS. Notices must be in writing and will be deemed given 5 days after mailing, or 2 days after sending by nationally recognized overnight courier. Notices will be sent to you at the "Bill to" address identified in this Agreement, and to Xerox at the inquiry address set forth on your most recent invoice, or to such other address as either party may designate by written notice. You authorize Xerox or its agents to communicate with you by any electronic means (including cellular phone, email, automatic dialing and recorded messages) using any phone number (including cellular) or electronic address you provide to Xerox. This Agreement constitutes the entire agreement as to its subject matter, supersedes all prior oral and written agreements, and will be governed by the laws of the State of New York (without regard to conflict-of-law principles). In any action to enforce this Agreement, the parties agree (a) to the jurisdiction and venue of the federal and state courts in Monroe County, New York, and (b) to waive their right to a jury trial. If a court finds any term of this Agreement unenforceable, the remaining terms will remain in effect. The failure by either party to exercise any right or remedy will not constitute a waiver of such right or remedy. Each party may retain a reproduction (e.g., electronic image, photocopy, facsimile) of this Agreement which will be admissible in any action to enforce it, but only the Agreement held by Xerox will be considered an original. Xerox may accept this Agreement either by signature or by commencing performance. Changes to this Agreement must be in writing and signed by both parties. Any terms on your ordering documents will be of no force or effect. Administrative and contract support functions hereunder may be performed, inside or outside the U.S., by one or more of Xerox's subsidiaries or affiliates and/or third parties. The following four sentences control over every other part of this Agreement. Both parties will comply with applicable laws. Xerox will not charge or collect any amounts in excess of those allowed by applicable law. Any part of this Agreement that would, but for the last four sentences of this Section, be read under any circumstances to allow for a charge higher than that allowed under any applicable legal limit, is modified by this Section to limit the amounts chargeable under this Agreement to the maximum amount allowed under the legal limit. If, in any circumstances, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by Xerox in excess of that legally allowed will be applied by Xerox to the payment of amounts legally owed under this Agreement, or refunded to you.

32. REMOTE SERVICES. Certain models of Equipment are supported and serviced using data that is automatically collected by Xerox or transmitted to or from Xerox by the Equipment connected to your network ("Remote Data") via electronic transmission to a secure off-site location ("Remote Data Access"). Remote Data Access also enables Xerox to transmit Releases of Software to you and to remotely diagnose and modify Equipment to repair and correct malfunctions. Examples of Remote Data include product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code data. Remote Data may be used by Xerox for billing, report generation, supplies replenishment, support services, recommending additional products and services, and product improvement/development purposes. Remote Data will be transmitted to and from you in a secure manner specified by Xerox. Remote Data Access will not allow Xerox to read, view or download the content of any of your documents or other information residing on or passing through the Equipment or your information management systems. You grant the right to Xerox, without charge, to conduct Remote Data Access for the purposes described above. Upon Xerox's request, you will provide contact information for Equipment such as name and address of your contact and IP and physical addresses/locations of Equipment. You will enable Remote Data Access via a method prescribed by Xerox, and you will provide reasonable assistance to allow Xerox to provide Remote Data Access. Unless Xerox deems Equipment incapable of Remote Data Access, you will ensure that Remote Data Access is maintained at all times Maintenance Services are being performed.

Lease Agreement



Customer: CITY OF BREA

BillTo: CITY OF BREA
BSMT P2
1 CIVIC CENTER CIR
BREA, CA 92821-5792

Install: CITY OF BREA
BSMT P2
1 CIVIC CENTER CIR
BREA, CA 92821-5792

State or Local Government Negotiated Contract : 072756600

Solution

Item	Product Description	Agreement Information	Trade Information	Requested Install Date
1. V180P (VERSANT 180 PRF PRES)	<ul style="list-style-type: none">- Envelope Sup Kit- Prod Rdy Std Finishr- V80 2 Tray Adv Ohcf	Lease Term: 60 months Purchase Option: FMV	- Xerox XC550 S/N XPN397354 Trade-In as of Payment 60	12/27/2017
2. V180FFPS (FFPS FOR V180)	<ul style="list-style-type: none">- Xrite Pro2 Spectro- Ffps Photo Auto Tool- Customer Ed- Analyst Services	Lease Term: 60 months Purchase Option: FMV	- Xerox X560FFPS S/N XXV496322 Trade-In as of Payment 60	12/27/2017
3. FFSRVR (FFPS SVR-D95/110/125)	<ul style="list-style-type: none">- D110 Cp Serv License- Vsel-required On Cp- Analyst Services	Lease Term: 60 months Purchase Option: FMV	- Xerox LTPROD/EPS S/N PA5644964 Trade-In as of Payment 59	12/22/2017

Authorized Signature

Customer acknowledges receipt of the terms of this agreement which consists of 7 pages including this face page.

Signer: Neil Groom

Phone: (714)990-7708

Signature: _____

Date: _____

Thank You for your business!
This Agreement is proudly presented by Xerox and

Michael Feeney
(714)565-1140

For information on your Xerox Account, go to
www.xerox.com/AccountManagement



Monthly Pricing

Item	Lease Minimum Payment	Print Charges			Maintenance Plan Features
		Meter	Volume Band	Per Print Rate	
1. V180P	\$507.08	1: Color Impressions	All Prints	\$0.0490	<ul style="list-style-type: none"> - Consumable Supplies Included for all prints - Pricing Fixed for Term
		2: Black and White Impressions	All Prints	\$0.0115	
		3: Color Large Impressions	All Prints	\$0.0058	
		4: Extra Long Impressions	All Prints	\$0.0510	
2. V180FFPS	\$187.69	N/A	N/A	N/A	<ul style="list-style-type: none"> - Full Service Maintenance Included - Pricing Fixed for Term
3. FFSRVR	\$434.94	N/A	N/A	N/A	<ul style="list-style-type: none"> - Full Service Maintenance Included - Pricing Fixed for Term
Total	\$1,129.71	Minimum Payments (Excluding Applicable Taxes)			

Terms and Conditions

INTRODUCTION:

1. TOTAL SATISFACTION GUARANTEE. If you are not totally satisfied with any Xerox-brand Equipment delivered under this Agreement, Xerox will, at your request, replace it without charge with an identical model or, at Xerox's option, with Xerox Equipment with comparable features and capabilities. This Guarantee applies only to Xerox-brand Equipment that has been continuously maintained by Xerox under this Agreement or a Xerox maintenance agreement. For "Previously Installed" Equipment, this Guarantee will be effective for 1 year after installation. For all other Equipment, this Guarantee will be effective for 3 years after installation unless the Equipment is being financed under this Agreement for more than 3 years, in which event it will expire at the end of the initial Term of this Agreement.

GOVERNMENT TERMS:

2. REPRESENTATIONS & WARRANTIES. This provision is applicable to governmental entities only. You represent and warrant, as of the date of this Agreement, that: (1) you are a State or a fully constituted political subdivision or agency of the State in which you are located and are authorized to enter into, and carry out, your obligations under this Agreement and any other documents required to be delivered in connection with this Agreement (collectively, the "Documents"); (2) the Documents have been duly authorized, executed and delivered by you in accordance with all applicable laws, rules, ordinances and regulations (including all applicable laws governing open meetings, public bidding and appropriations required in connection with this Agreement and the acquisition of the Products) and are valid, legal, binding agreements, enforceable in accordance with their terms; (3) the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body and hold the offices indicated below their signatures, each of which are genuine; (4) the Products are essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and will be used during the Term only by you and only to perform such function; and (5) your payment obligations under this Agreement constitute a current expense and not a debt under applicable state law and no provision of this Agreement constitutes a pledge of your tax or general revenues, and any provision that is so construed by a court of competent jurisdiction is void from the inception of this Agreement.

3. FUNDING. This provision is applicable to governmental entities only. You represent and warrant that all payments due and to become due during your current fiscal year are within the fiscal budget of such year and are included within an unrestricted and unencumbered appropriation currently available for the purchase/maintenance of the Products, and it is your intent to use the Products for the entire term and to make all payments required under this Agreement. If (1) through no action initiated by you, your legislative body does not appropriate funds for the continuation of this Agreement for any fiscal year after the first fiscal year ~~and has no funds to do so from other sources, and (2) you have made a reasonable but unsuccessful effort to find a creditworthy assignee acceptable to Xerox in its sole discretion within your general organization who can continue this Agreement,~~ this Agreement may be terminated. To effect this termination, you must, at least 30 days prior to the beginning of the fiscal year for which your legislative body does not appropriate funds, notify Xerox in writing that your legislative body failed to appropriate funds and that you have made the required effort to find an assignee. Your notice must be accompanied by payment of all sums then owed through the current year under this Agreement. You will return the Equipment, at your expense, to a location designated by Xerox and, when returned, the Equipment will be in good condition and free of all liens and encumbrances. You will then be released from any further payment obligations beyond those payments due for the current fiscal year (with Xerox retaining all sums paid to date).

SOLUTION/SERVICES:

4. PRODUCTS. "Products" means the equipment ("Equipment"), Software and supplies identified in this Agreement. You agree the Products are for your business use (not resale) in the United States and its territories and possessions ("U.S.") and will not be used for personal, household or family purposes.

5. TRADE-IN EQUIPMENT. You warrant that you have the right to transfer title to the equipment you are trading in as part of this Agreement ("Trade-In Equipment") and that the Trade-In Equipment is in good working order and has not been modified from its original configuration (other than by Xerox). Title and risk of loss to the Trade-In Equipment will pass to Xerox when Xerox removes it from your premises. You will maintain the Trade-In Equipment at its present site and in substantially its present condition until removed by Xerox. You will pay all accrued charges for the Trade-In Equipment (up to and including payment of the final principal payment number) and all applicable maintenance, administrative, supply and finance charges until Xerox

removes the Trade-In Equipment from your premises.

6. CONSUMABLE SUPPLIES. Consumable Supplies vary depending upon the Equipment model. If "Consumable Supplies" is identified in Maintenance Plan features, Consumable Supplies include: (i) for black and white Equipment, standard black toner and/or dry ink, black developer, Copy Cartridges, and, if applicable, fuser agent required to make impressions; (ii) for full color Equipment, the items in (i) plus standard cyan, magenta, and yellow toners and dry inks (and their associated developers); and, (iii) for Equipment identified as "Phaser", only, if applicable, black solid ink, color solid ink, imaging units, waste cartridges, transfer rolls, transfer belts, transfer units, belt cleaner, maintenance kits, print Cartridges, drum Cartridges, waste trays and cleaning kits. Unless otherwise set forth herein, Consumable Supplies exclude paper and staples. Xerox may charge a shipping and handling fee for Consumable Supplies. Consumable Supplies are Xerox's property until used by you, and you will use them only with the Equipment for which "Consumable Supplies" is identified in Maintenance Plan Features. If Consumable Supplies are furnished with recycling information, you will return the used item to Xerox for remanufacturing. Shipping information is available at Xerox.com/GWA. Upon expiration of this Agreement, you will include any unused Consumable Supplies with the Equipment for return to Xerox at the time of removal. If your use of Consumable Supplies exceeds Xerox's published yield by more than 10%, Xerox will notify you of such excess usage. If such excess usage does not cease within 30 days after such notice, Xerox may charge you for such excess usage. Upon request, you will provide current meter reads and/or an inventory of Consumable Supplies in your possession.

7. CARTRIDGES. If Xerox is providing Maintenance Services for Equipment utilizing cartridges designated by Xerox as customer replaceable units, including copy/print cartridges and xerographic modules or fuser modules ("Cartridges"), you agree to use only unmodified Cartridges purchased directly from Xerox or its authorized resellers in the U.S. Cartridges packed with Equipment and replacement Cartridges may be new, remanufactured or reprocessed. Remanufactured and reprocessed Cartridges meet Xerox's new Cartridge performance standards and contain new or reprocessed components. To enhance print quality, Cartridge(s) for many models of Equipment have been designed to cease functioning at a predetermined point. In addition, many Equipment models are designed to function only with Cartridges that are newly manufactured original Xerox Cartridges or with Cartridges intended for use in the U.S.

8. MAINTENANCE SERVICES. Except for Equipment identified as "No Svc.", Xerox (or a designated service) will keep the Equipment in good working order ("Maintenance Services"). The provision of Maintenance Services is contingent upon you facilitating timely and efficient resolution of Equipment issues by: (a) utilizing customer-implemented remedies provided by Xerox; (b) replacing Cartridges; and (c) providing information to and implementing recommendations provided by Xerox telephone support personnel. If an Equipment issue is not resolved after completion of (a) through (c) above, Xerox will provide on-site support as provided herein. Maintenance Services will be provided during Xerox's standard working hours in areas open for repair service for the Equipment. Maintenance Services excludes repairs due to: (i) misuse, neglect or abuse; (ii) failure of the installation site or the PC or workstation used with the Equipment to comply with Xerox's published specifications; (iii) use of options, accessories or products not serviced by Xerox; (iv) non-Xerox alterations, relocation, service or supplies; or (v) failure to perform operator maintenance procedures identified in operator manuals. Replacement parts may be new, reprocessed or recovered and all replaced parts become Xerox's property. Xerox will, as your exclusive remedy for Xerox's failure to provide Maintenance Services, replace the Equipment with an identical model or, at Xerox's option, another model with comparable features and capabilities. There will be no additional charge for the replacement Equipment during the remainder of the initial Term. If meter reads are a component of your Maintenance Plan, you will provide them using the method and frequency identified by Xerox. If you do not provide a meter reading for Equipment not capable of Remote Data Access, or if Remote Data Access is interrupted, Xerox may estimate the reading and bill you accordingly.

9. EXTRA LONG PRINTS. The following Equipment model(s), V180P may now, or in the future, have extra-long print capability, which is the ability to produce a print that is longer than 491mm. Maximum print length may vary by model. The meters for Equipment with extra-long print capability will register the following, as applicable: (i) for impressions greater than 491mm, up to and including 661mm, the Extra Long Impressions meter will register two (2) prints for each such extra-long print, in addition to registering one (1) print on either the Color Impressions meter (in the case of a color print) or the Black Impressions meter (in the case of a B&W print); (ii) for impressions

Terms and Conditions

greater than 661mm, up to and including 877mm, the Extra Long Impressions meter will register three (3) prints for each such extra-long print, in addition to registering one (1) print on either the Color Impressions meter (in the case of a color print) or the Black Impression meter (in the case of a B&W print); (iii) for impressions greater than 877mm, up to and including 1,083mm, the Extra Long Impressions meter will register four (4) prints for each such extra-long print, in addition to registering one (1) print on either the Color Impressions meter (in the case of a color print) or the Black Impression meter (in the case of a B&W print); and (iv) for impressions greater than 1,083mm, up to and including 1,299mm, the Extra Long Impressions meter will register five (5) prints for each such extra-long print, in addition to registering one (1) print on either the Color Impressions meter (in the case of a color print) or the Black Impression meter (in the case of a B&W print).

10. EQUIPMENT STATUS. Unless you are acquiring "Previously Installed" Equipment, Equipment will be (1) "Newly Manufactured", which may contain some reconditioned components; (2) "Factory Produced New Model", which is manufactured and newly serialized at a Xerox factory, adds functions and features to a product previously disassembled to a Xerox predetermined standard, and contains new and reconditioned components; or (3) "Remanufactured", which has been factory produced following disassembly to a Xerox predetermined standard and contains new and reconditioned components.

11. SOFTWARE LICENSE. Xerox grants you a non-exclusive, non-transferable license to use in the U.S.: (a) software and accompanying documentation provided with Xerox-brand Equipment ("Base Software") only with the Xerox-brand Equipment with which it was delivered; and (b) software and accompanying documentation identified in this Agreement as "Application Software" only on any single unit of equipment for as long as you are current in the payment of all applicable software license fees. "Base Software" and "Application Software" are referred to collectively as "Software". You have no other rights and may not: (1) distribute, copy, modify, create derivatives of, decompile, or reverse engineer Software; (2) activate Software delivered with the Equipment in an inactivated state; or (3) allow others to engage in same. Title to, and all intellectual property rights in, Software will reside solely with Xerox and/or its licensors (who will be considered third-party beneficiaries of this Section). Software may contain code capable of automatically disabling the Equipment. Disabling code may be activated if: (x) Xerox is denied access to periodically reset such code; (y) you are notified of a default under this Agreement; or (z) your license is terminated or expires. The Base Software license will terminate; (i) if you no longer use or possess the Equipment; (ii) you are a lessor of the Equipment and your first lessee no longer uses or possesses it; or (iii) upon the expiration or termination of this Agreement, unless you have exercised your option to purchase the equipment. Neither Xerox nor its licensors warrant that Software will be free from errors or that its operation will be uninterrupted. The foregoing terms do not apply to Diagnostic Software or to software/documentation accompanied by a clickwrap or shrinkwrap license agreement or otherwise made subject to a separate license agreement.

12. SOFTWARE SUPPORT. Xerox (or a designated servicer) will provide the software support set forth below ("Software Support"). For Base Software, Software Support will be provided during the initial Term and any renewal period but in no event longer than 5 years after Xerox stops taking customer orders for the subject model of Equipment. For Application Software, Software Support will be provided as long as you are current in the payment of all applicable software license and support fees. Xerox will maintain a web-based or toll-free hotline during Xerox's standard working hours to report Software problems and answer Software-related questions. Xerox, either directly or with its vendors, will make reasonable efforts to: (a) assure that Software performs in material conformity with its user documentation; (b) provide available workarounds or patches to resolve Software performance problems; and (c) resolve coding errors for (i) the current Release and (ii) the previous Release for a period of 6 months after the current Release is made available to you. Xerox will not be required to provide Software Support if you have modified the Software. New releases of Software that primarily incorporate compliance updates and coding error fixes are designated as "Maintenance Releases" or "Updates". Maintenance Releases or Updates that Xerox may make available will be provided at no charge and must be implemented within six months. New releases of Software that include new content or functionality ("Feature Releases") will be subject to additional license fees at Xerox's then-current pricing. Maintenance Releases, Updates and Feature Releases are collectively referred to as "Releases". Each Release will be considered Software governed by the Software License and Software Support provisions of this Agreement (unless otherwise noted). Implementation of a Release may require you to procure, at your expense, additional

hardware and/or software from Xerox or another entity. Upon installation of a Release, you will return or destroy all prior Releases.

13. DIAGNOSTIC SOFTWARE. Software used to evaluate or maintain the Equipment ("Diagnostic Software") is included with the Equipment. Diagnostic Software is a valuable trade secret of Xerox. Title to Diagnostic Software will remain with Xerox or its licensors. Xerox does not grant you any right to use Diagnostic Software, and you will not access, use, reproduce, distribute or disclose Diagnostic Software for any purpose (or allow third parties to do so). You will allow Xerox reasonable access to the Equipment to remove or disable Diagnostic Software if you are no longer receiving Maintenance Services from Xerox; provided that any on-site access to your facility will be during your normal business hours.

14. FREEFLOW LICENSE. The following terms apply to Xerox FreeFlow Print Server /DocuSP software included in Base Software ("FreeFlow Base Software") and/or Application Software identified as Xerox FreeFlow software (including, but not limited to, FreeFlow Makeready and FreeFlow Process Manager) (collectively, "FreeFlow Application Software"), and are additive to and supplement those found elsewhere in the Agreement. FreeFlow Base Software and FreeFlow Application Software are collectively referred to as "FreeFlow Software."

1. FreeFlow Software may include and/or incorporate font programs ("Font Programs") and other software provided by Adobe Systems Incorporated ("Adobe Software"). You may embed copies of the Font Programs into your electronic documents for the purpose of printing and viewing the document. You are responsible for ensuring that you have the right and are authorized by any necessary third parties to embed any Font Programs in electronic documents created with the FreeFlow Application Software. If the Font Programs are identified as "licensed for editable embedding" at www.adobe.com/type/browser/legal/embeddingeula, you may also embed copies of those Font Programs for the additional purpose of editing your electronic documents. No other embedding rights are implied or permitted under this license.

2. You will not, without the prior written consent of Xerox and its licensors: (a) alter the digital configuration of the FreeFlow Software, or solicit others to cause the same, so as to change the visual appearance of any of the FreeFlow Software output; (b) use the FreeFlow Software in any way that is not authorized by the Agreement; (c) use the embedded code within the FreeFlow Software outside of the Equipment on which it was installed or in a stand-alone, time-share or service bureau model; (d) disclose the results of any performance or benchmark tests of the FreeFlow Software; (e) use the FreeFlow Software for any purpose other than to carry out the purposes of the Agreement; or (f) disclose or otherwise permit any other person or entity access to the object code of the FreeFlow Software.

3. FreeFlow Process Manager contains Oracle Database Express Edition database software and documentation licensed from Oracle America, Inc. ("Oracle"). Oracle grants you a nonexclusive, nontransferable limited license to use Database Express Edition for purposes of developing, prototyping and running your applications for your own internal data processing operations. Database Express Edition may be installed on a multiple CPU server, but may only be executed on one processor in any server. Upon not less than 45 days prior written notice, Xerox and/or its licensors may, at their expense, directly or through an independent auditor, audit your use of FreeFlow Process Manager and all relevant records not more than once annually. Any such audit will be conducted at a mutually agreed location and will not unreasonably interfere with your business activities.

4. The Copyright Management feature of FreeFlow Makeready ("FFCM") contains the optional Copyright Clearance Center, Inc. ("CCC") copyright licensing services feature of FFCM ("CCC Service"). If this option is ordered, you will comply with any applicable terms and conditions contained on the CCC website, www.copyright.com, and any other rights holder terms governing use of materials, which are accessible in FFCM. If CCC terminates Xerox's right to offer access to the CCC Service through FFCM, Xerox may, upon written notice and without any liability to you, terminate your right to access the CCC Service through FFCM. THE CCC SERVICE IS PROVIDED "AS IS," WITHOUT ANY WARRANTIES, WHETHER EXPRESS OR IMPLIED. XEROX DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF NONINFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. You will defend and indemnify Xerox from any and all losses, claims, damages, fines, penalties, interest, costs and expenses, including reasonable attorney fees, arising from or relating to your use of the CCC Service.

5. If you install FreeFlow Application Software on a computer that you supply, the

Terms and Conditions

following terms apply: (a) Xerox will only be obligated to support FreeFlow Application Software if it is installed on hardware and software meeting Xerox's published specifications (collectively "Workstation"); (b) IF YOU USE FREEFLOW APPLICATION SOFTWARE WITH ANY HARDWARE OR SOFTWARE OTHER THAN A WORKSTATION, ALL REPRESENTATIONS AND WARRANTIES ACCOMPANYING SUCH FREEFLOW APPLICATION SOFTWARE WILL BE VOID AND ANY SUPPORT/MAINTENANCE YOU CONTRACT FOR IN CONNECTION WITH SUCH FREEFLOW APPLICATION SOFTWARE WILL BE VOIDABLE AND/OR SUBJECT TO ADDITIONAL CHARGES; and (c) you are solely responsible for: (i) the acquisition and support, including any and all associated costs, charges and other fees, of any Workstation you supply; (ii) compliance with all terms governing such Workstation acquisition and support, including terms applicable to any non-Xerox software associated with such Workstation; and (iii) ensuring that such Workstation meets Xerox's published specifications.

6. The following terms apply to FreeFlow Software licensed to U.S. government customers:

a. Java technology contained in FreeFlow Software is subject to: (i) FAR 52.227-14(g)(2) and FAR 52.227-19; and (ii) if licensed to the U.S. Department of Defense ("DOD"), DFARS 252.227-7015(b) and DFARS 227.7202-3(a).

b. Adobe Software is a "commercial item," as that term is defined at FAR 2.101, consisting of "commercial computer software" and "commercial computer software documentation" as such terms are used in FAR 12.212, and is licensed to civilian agencies consistent with the policy set forth in FAR 12.212, or to the DOD consistent with the policies set forth in DFARS 227.7202-1.

c. Oracle Database Express Edition is "commercial computer software" and is subject to the restrictions as set forth in the Rights in Technical Data and Computer Software Clauses in DFARS 252.227-7015 and FAR 52.227-19 as applicable.

7. FreeFlow Software may include Microsoft Embedded Standard operating system software to which the following terms apply:

a. You agree to and will comply with the Microsoft terms and conditions contained on the Xerox website, <http://www.support.xerox.com/support/open-source-disclosures/file-retrieve/enus.html?&contentId=136023>.

b. Any updates, upgrades or reinstallations of Microsoft Embedded Standard operating system software are subject to the terms and conditions of this license and may be used only with the Xerox-brand Equipment with which it was delivered. Any other use of the software is strictly prohibited and may subject you to legal action.

c. If the Equipment includes Remote Desktop Services that enable it to connect to and access applications running on a server, such as Remote Desktop Protocol, Remote Assistance and Independent Computer Architecture, such Desktop Functions will not run locally on the system, except for network/Internet browsing functions.

d. The FreeFlow Base Software contains the Windows Update feature that allows you to access Windows Updates directly through the Microsoft Corp. Windows Update server. If you elect to activate this feature, any Windows Updates installed by you using the Windows Update feature may not function on the Equipment or may cause malfunctions or cause harm to the Equipment. Before you download a Windows Update using this feature, you should contact Xerox so that Xerox can ensure that each Windows Update is suitable for use on the Equipment and provide any necessary technical support for the installation and use of such Windows Update.

e. No High Risk Use. WARNING: The Windows Embedded 7 Standard operating system is not fault-tolerant.

The Windows Embedded 7 Standard operating system is not designed or intended for any use in any computing device where failure or fault of any kind of the Windows Embedded 7 Standard operating system could reasonably be seen to lead to death or serious bodily injury of any person, or to severe physical or environmental damage ("High Risk Use"). Xerox is not licensed to use, distribute, or sublicense the use of the Windows Embedded 7 Standard operating system in High Risk Use. High Risk Use is STRICTLY PROHIBITED.

PRICING PLAN/OFFERING SELECTED:

15. COMMENCEMENT & TERM. This Agreement is valid when accepted by Xerox. The Term for each unit of Equipment will commence upon: (i) the delivery of customer-installable Equipment; or (ii) the installation of Xerox-installable Equipment ("Commencement Date") and will continue for the number of full calendar months shown as "Lease Term" on the face of this Agreement. Any partial month in the Term will be billed on a pro rata basis, based on a 30 day month. Unless either party provides notice of termination at least thirty days before the expiration of the initial Term, it will renew automatically on a month-to-month basis on the same terms and

conditions. During this renewal period, either party may terminate the Equipment upon at least 30 days notice. Upon termination, you will make the Products available for removal by Xerox. At the time of removal, the Equipment will be in the same condition as when delivered (reasonable wear and tear excepted).

16. PAYMENT. Payment (including applicable Taxes) is due within 30 days after the invoice date, with all charges being billed in arrears. This Agreement will not be automatically renewed.

17. LATE CHARGE. If a payment is not received by Xerox within 10 days after the due date, Xerox may charge, and you will pay, a late charge of 5% of the amount due or \$25, whichever is greater.

18. FIXED PRICING. If "Pricing Fixed for Term" is identified in Maintenance Plan Features, the maintenance component of the Minimum Payment and Print Charges will not increase during the initial Term of this Agreement.

19. DELIVERY, REMOVAL & RELOCATION. Equipment prices include standard delivery charges and, for Xerox-owned Equipment, standard removal charges. Charges for non-standard delivery or removal and for any Equipment relocation are your responsibility. Relocation of Xerox-owned Equipment must be arranged (or approved in advance) by Xerox and may not be to a location outside of the U.S.

20. TAXES. You will be responsible for all applicable taxes, fees or charges of any kind (including interest and penalties) assessed by any governmental entity on this Agreement or the amounts payable under this Agreement ("Taxes"), which will be included in Xerox's invoice unless you timely provide proof of your tax exempt status. Taxes do not include personal property taxes in jurisdictions where Xerox is required to pay personal property taxes, and taxes on Xerox's income. This Agreement is a lease for all income tax purposes and you will not claim any credit or deduction for depreciation of the Equipment, or take any other action inconsistent with your role as lessee of the Equipment.

21. PURCHASE OPTION. If not in default, you may purchase the Equipment, "AS IS, WHERE IS" and WITHOUT ANY WARRANTY AS TO CONDITION OR VALUE, at the end of the initial Term for the "Purchase Option" indicated on the face of this Agreement (i.e., either a set dollar amount or the fair market value of the Equipment at the expiration of the initial Term), plus all applicable Taxes.

22. DEFAULT & REMEDIES. You will be in default under this Agreement if (1) Xerox does not receive any payment within 15 days after the date it is due, or (2) you breach any other obligation in this or any other agreement with Xerox. If you default, Xerox may, in addition to its other remedies (including cessation of Maintenance Services), remove the Equipment at your expense and require immediate payment, as liquidated damages for loss of bargain and not as a penalty, of: (a) all amounts then due, plus interest from the due date until paid at the rate of 1.5% per month; (b) the Minimum Payments (less the Maintenance Services and Consumable Supplies components thereof, as reflected on Xerox's books and records) remaining in the Term, discounted at 4% per annum; (c) the applicable Purchase Option; and (d) all applicable Taxes. You will pay all reasonable costs, including attorneys' fees, incurred by Xerox to enforce this Agreement. If you make the Equipment available for removal by Xerox within 30 days after notice of default, in the same condition as when delivered (reasonable wear and tear excepted), you will receive a credit for the fair market value of the Equipment as determined by Xerox, less any costs incurred by Xerox.

23. DATA SECURITY. Certain models of Equipment can be configured to include a variety of data security features. There may be an additional cost associated with certain data security features. The selection, suitability and use of data security features are solely your responsibility. Upon request, Xerox will provide additional information to you regarding the security features available for particular Equipment models.

GENERAL TERMS & CONDITIONS:

24. NON-CANCELABLE AGREEMENT. THIS AGREEMENT CANNOT BE CANCELED OR TERMINATED EXCEPT AS EXPRESSLY PROVIDED HEREIN. YOUR OBLIGATION TO MAKE ALL PAYMENTS, AND TO PAY ANY OTHER AMOUNTS DUE OR TO BECOME DUE, IS ABSOLUTE AND UNCONDITIONAL AND NOT SUBJECT TO DELAY, REDUCTION, SET-OFF, DEFENSE, COUNTERCLAIM OR RECOUPMENT FOR ANY REASON WHATSOEVER, IRRESPECTIVE OF XEROX'S PERFORMANCE OF ITS OBLIGATIONS HEREUNDER. ANY CLAIM AGAINST XEROX MAY BE ASSERTED IN A SEPARATE ACTION AND SOLELY AGAINST XEROX.

25. REPRESENTATIONS. The individuals signing this Agreement are duly authorized to do so and all financial information you provide completely and accurately represents your financial condition.

Terms and Conditions

26. LIMITATION OF LIABILITY. For claims arising out of or relating to this Agreement whether the claim alleges tortious conduct (including negligence) or any other legal theory, but excepting liability under the indemnification obligations set forth in this Agreement, Xerox will not be liable to you for any direct damages in excess of \$10,000 or the amounts paid hereunder, whichever is greater, and neither party will be liable to the other for any special, indirect, incidental, consequential or punitive damages. Any action you take against Xerox must be commenced within 2 years after the event that caused it.

27. CREDIT REPORTS. You authorize Xerox or its agent to obtain credit reports from commercial credit reporting agencies.

28. FORCE MAJEURE. Xerox will not be liable to you during any period in which its performance is delayed or prevented, in whole or in part, by a circumstance beyond its reasonable control. Xerox will notify you if such a circumstance occurs.

29. PROTECTION OF XEROX'S RIGHTS. You authorize Xerox or its agent to file, by any permissible means, financing statements necessary to protect Xerox's rights as lessor of the Equipment. You will promptly notify Xerox of a change in ownership, or if you relocate your principal place of business or change the name of your business.

30. WARRANTY DISCLAIMER. XEROX DISCLAIMS THE IMPLIED WARRANTIES OF NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE. This Agreement is a "finance lease" under Article 2A of the Uniform Commercial Code and, except to the extent expressly provided herein, and as permitted by applicable law, you waive all of your rights and remedies as a lessee under Article 2A.

31. INTELLECTUAL PROPERTY INDEMNITY. Xerox will defend, and pay any settlement agreed to by Xerox or any final judgment for, any claim that a Xerox-brand Product infringes a third party's U.S. intellectual property rights. You will promptly notify Xerox of any alleged infringement and permit Xerox to direct the defense. Xerox is not responsible for any non-Xerox litigation expenses or settlements unless it pre-approves them in writing. To avoid infringement, Xerox may modify or substitute an equivalent Xerox-brand Product, refund the price paid for the Xerox-brand Product (less the reasonable rental value for the period it was available to you), or obtain any necessary licenses. Xerox is not liable for any infringement based upon a Xerox-brand Product being modified to your specifications or being used or sold with products not provided by Xerox.

32. TITLE & RISK OF LOSS AND INSURANCE. Until you exercise your Purchase Option: (a) title to Equipment will remain with Xerox; (b) Equipment will remain personal property; (c) you will not attach the Equipment as a fixture to any real estate; (d) you will not pledge, sublease or part with possession of it, or file or permit to be filed any lien against it; and, (e) you will not make any permanent alterations to it. Risk of loss passes to you upon delivery and remains with you until Xerox removes the Equipment. You will keep the Equipment insured against loss or damage and the policy will name Xerox as a loss payee ("Required Insurance"). You must provide Xerox or our agents, designees or assigns with satisfactory evidence of Required Insurance within 30 days of the commencement of this Agreement or any subsequent written request by Xerox or our agents, designees or assigns. IF YOU DO NOT PROVIDE SUCH EVIDENCE, THEN, IN LIEU OF OTHER REMEDIES FOR DEFAULT, XEROX, IN ITS DISCRETION AND AT ITS SOLE OPTION, MAY OBTAIN INSURANCE FROM AN INSURER OF ITS CHOOSING, IN SUCH FORMS AND AMOUNTS AS XEROX DEEMS REASONABLE TO PROTECT ITS INTERESTS (COLLECTIVELY "EQUIPMENT INSURANCE"). EQUIPMENT INSURANCE WILL COVER THE EQUIPMENT AND XEROX; IT WILL NOT NAME YOU AS AN INSURED, MAY NOT COVER ALL OF YOUR OBLIGATIONS UNDER THIS AGREEMENT AND WILL BE SUBJECT TO CANCELLATION BY XEROX OR THE INSURER AT ANY TIME. YOU AGREE TO PAY XEROX PERIODIC CHARGES FOR SUCH EQUIPMENT INSURANCE (COLLECTIVELY "INSURANCE CHARGES") THAT INCLUDE AN INSURANCE PREMIUM THAT MAY BE HIGHER THAN IF YOU MAINTAINED THE REQUIRED INSURANCE SEPARATELY AND/OR BILLING AND PROCESSING FEES WHICH MAY GENERATE A PROFIT TO XEROX OR A THIRD PARTY. XEROX MAY ADD INSURANCE CHARGES TO EACH INVOICE. **XEROX SHALL DISCONTINUE BILLING OR DEBITING INSURANCE CHARGES FOR EQUIPMENT INSURANCE UPON RECEIPT FROM YOU OF SATISFACTORY EVIDENCE OF REQUIRED INSURANCE.** Neither loss nor damage to Equipment or Xerox's receipt of insurance proceeds relieve you of any of your remaining obligations under this Agreement. YOU AGREE (i) AT XEROX'S OPTION, TO ARBITRATE ANY DISPUTE WITH XEROX OR OUR AGENTS, DESIGNEES OR ASSIGNS REGARDING THE EQUIPMENT INSURANCE AND/OR INSURANCE CHARGES UNDER THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION

IN MONROE COUNTY, NY, (ii) ARBITRATION (NOT A COURT) IS THE EXCLUSIVE REMEDY FOR SUCH DISPUTES; AND (iii) CLASS ARBITRATION IS NOT PERMITTED. This arbitration requirement does not apply to any other provision of this Agreement.

33. ASSIGNMENT. Except for assignment by Xerox to a parent, subsidiary or affiliate of Xerox, or to securitize this Agreement as part of a financing transaction ("Permitted Assignment"), neither party will assign any of its rights or obligations under this Agreement without the prior written consent of the other party. In the event of a Permitted Assignment: (a) Xerox may, without your prior written consent, release to the proposed assignee information it has about you related to this Agreement; (b) the assignee will have all of the rights but none of the obligations of Xerox hereunder; (c) you will continue to look to Xerox for performance of Xerox's obligations, including the provision of Maintenance Services; (d) you waive and release the assignee from any claim relating to or arising from the performance of Xerox's obligations hereunder; (e) you shall not assert any defense, counterclaim or setoff you may have against an assignee; and (f) you will remit payments in accordance with instructions of the assignee.

34. MISCELLANEOUS. Notices must be in writing and will be deemed given 5 days after mailing, or 2 days after sending by nationally recognized overnight courier. Notices will be sent to you at the "Bill to" address identified in this Agreement, and to Xerox at the inquiry address set forth on your most recent invoice, or to such other address as either party may designate by written notice. You authorize Xerox or its agents to communicate with you by any electronic means (including cellular phone, email, automatic dialing and recorded messages) using any phone number (including cellular) or electronic address you provide to Xerox. This Agreement constitutes the entire agreement as to its subject matter, supersedes all prior oral and written agreements, and will be governed by the laws of the State of New York (without regard to conflict-of-law principles). In any action to enforce this Agreement, the parties agree (a) to the jurisdiction and venue of the federal and state courts in Monroe County, New York, and (b) to waive their right to a jury trial. If a court finds any term of this Agreement unenforceable, the remaining terms will remain in effect. The failure by either party to exercise any right or remedy will not constitute a waiver of such right or remedy. Each party may retain a reproduction (e.g., electronic image, photocopy, facsimile) of this Agreement which will be admissible in any action to enforce it, but only the Agreement held by Xerox will be considered an original. Xerox may accept this Agreement either by signature or by commencing performance. Changes to this Agreement must be in writing and signed by both parties. Any terms on your ordering documents will be of no force or effect. Administrative and contract support functions hereunder may be performed, inside or outside the U.S., by one or more of Xerox's subsidiaries or affiliates and/or third parties. The following four sentences control over every other part of this Agreement. Both parties will comply with applicable laws. Xerox will not charge or collect any amounts in excess of those allowed by applicable law. Any part of this Agreement that would, but for the last four sentences of this Section, be read under any circumstances to allow for a charge higher than that allowed under any applicable legal limit, is modified by this Section to limit the amounts chargeable under this Agreement to the maximum amount allowed under the legal limit. If, in any circumstances, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by Xerox in excess of that legally allowed will be applied by Xerox to the payment of amounts legally owed under this Agreement, or refunded to you.

35. REMOTE SERVICES. Certain models of Equipment are supported and serviced using data that is automatically collected by Xerox or transmitted to or from Xerox by the Equipment connected to your network ("Remote Data") via electronic transmission to a secure off-site location ("Remote Data Access"). Remote Data Access also enables Xerox to transmit Releases of Software to you and to remotely diagnose and modify Equipment to repair and correct malfunctions. Examples of Remote Data include product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code data. Remote Data may be used by Xerox for billing, report generation, supplies replenishment, support services, recommending additional products and services, and product improvement/development purposes. Remote Data will be transmitted to and from you in a secure manner specified by Xerox. Remote Data Access will not allow Xerox to read, view or download the content of any of your documents or other information residing on or passing through the Equipment or your information management systems. You grant the right to Xerox, without charge, to conduct Remote Data Access for the purposes described above. Upon Xerox's request, you will provide contact information for Equipment such as name



Terms and Conditions

and address of your contact and IP and physical addresses/locations of Equipment. You will enable Remote Data Access via a method prescribed by Xerox, and you will provide reasonable assistance to allow Xerox to provide Remote Data Access. Unless Xerox deems Equipment incapable of Remote Data Access, you will ensure that Remote Data Access is maintained at all times Maintenance Services are being performed.

Financial Information

36. REFINANCE. The "Amount Refinanced" is included in the amount financed under this Agreement. If the Amount Refinanced is under an agreement with a third party, you acknowledge you have the right to terminate the agreement and you will provide Xerox with a statement from the third party identifying the equipment at issue, the amount to be paid off and the payee's name and mailing address. If the Amount Refinanced is under an agreement with Xerox, the refinancing will render your prior agreement null and void. If you breach any of your obligations under this Agreement, the full Amount Refinanced will be immediately due and payable.

Item	Finance Activity	Amount Refinanced	Int. Rate	Total Int. Payable
3. FFSRVR	- Refinance of Xerox Agreement	\$194.00	8.75%	\$46.00

Purchase Agreement



Customer: CITY OF BREA

BillTo: CITY OF BREA
BSMT P2
1 CIVIC CENTER CIR
BREA, CA 92821-5792

Install: CITY OF BREA
BSMT P2
1 CIVIC CENTER CIR
BREA, CA 92821-5792

State or Local Government Negotiated Contract : 072756600

Solution

Item	Product Description	Agreement Information	Requested Effective Date
Bonus Item			
1. UDIRECTS (XMPIE UDIRECT STUDIO) S/N WDX000662		UDIRECTS: \$0.00 This agreement modifies the current Xerox Agreement 957992332 for UDIRECTS S/N WDX000662 as of payment 60.	1/1/2018

Maintenance Pricing

Item	Monthly Minimum Payment	Print Charges			Maintenance Plan Features
		Meter	Volume Band	Per Print Rate	
1. UDIRECTS	\$108.00	N/A	N/A	N/A	- Term: 12 Months - Full Service Maintenance Included
Total	\$108.00	Minimum Payments (Excluding Applicable Taxes)			

Authorized Signature

Customer acknowledges receipt of the terms of this agreement which consists of 2 pages including this face page.		Thank You for your business! This Agreement is proudly presented by Xerox and Michael Feeney (714)565-1140 For information on your Xerox Account, go to www.xerox.com/AccountManagement	
Signer: Neil Groom	Phone: (714)990-7708		
Signature: _____	Date: _____		

Terms and Conditions

INTRODUCTION:

1. NEGOTIATED CONTRACT. The Products are subject solely to the terms in the Negotiated Contract identified on the face of this Agreement, and, for any option you have selected that is not addressed in the Negotiated Contract, the then-current standard Xerox terms for such option.

2. MODIFICATION OF PRIOR AGREEMENT. This Agreement modifies a prior agreement between you and Xerox for the Products identified as "Modifies Prior Agreement". The prior agreement will remain in effect except that any terms in this Agreement that conflict with or are additive to the prior agreement will control. You may be charged a one-time administrative/processing fee for the modification of a prior agreement.

GOVERNMENT TERMS:

3. REPRESENTATIONS & WARRANTIES. This provision is applicable to governmental entities only. You represent and warrant, as of the date of this Agreement, that: (1) you are a State or a fully constituted political subdivision or agency of the State in which you are located and are authorized to enter into, and carry out, your obligations under this Agreement and any other documents required to be delivered in connection with this Agreement (collectively, the "Documents"); (2) the Documents have been duly authorized, executed and delivered by you in accordance with all applicable laws, rules, ordinances and regulations (including all applicable laws governing open meetings, public bidding and appropriations required in connection with this Agreement and the acquisition of the Products) and are valid, legal, binding agreements, enforceable in accordance with their terms; (3) the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body and hold the offices indicated below their signatures, each of which are genuine; (4) the Products are essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and will be used during the Term only by you and only to perform such function; and (5) your payment obligations under this Agreement constitute a current expense and not a debt under applicable state law and no provision of this Agreement constitutes a pledge of your tax or general revenues, and any provision that is so construed by a court of competent jurisdiction is void from the inception of this Agreement.

4. FUNDING. This provision is applicable to governmental entities only. You represent and warrant that all payments due and to become due during your current fiscal year are within the fiscal budget of such year and are included within an unrestricted and unencumbered appropriation currently available for the purchase/maintenance of the Products, and it is your intent to use the Products for the entire term and to make all payments required under this Agreement. If (1) through no action initiated by you, your legislative body does not appropriate funds for the continuation of this Agreement for any fiscal year after the first fiscal year ~~and has no funds to do so from other sources,~~

~~and (2) you have made a reasonable but unsuccessful effort to find a creditworthy assignee acceptable to Xerox in its sole discretion within your general organization who can continue this Agreement,~~ this Agreement may be terminated. To effect this termination, you must, at least 30 days prior to the beginning of the fiscal year for which your legislative body does not appropriate funds, notify Xerox in writing that your legislative body failed to appropriate funds and that you have made the required effort to find an assignee. Your notice must be accompanied by payment of all sums then owed through the current year under this Agreement. You will return the Equipment at your expense to a location designated by Xerox and, when returned, the Equipment will be in good condition and free of all liens and encumbrances. You will then be released from any further payment obligations beyond those payments due for the current fiscal year (with Xerox retaining all sums paid to date).

PRICING PLAN/OFFERING SELECTED:

5. PRICE INCREASES. Xerox may annually increase the maintenance component of the Minimum Payment and Print Charges. For Application Software, Xerox may annually increase the software license or support fees. These adjustments will occur at the commencement of each annual contract cycle.

GENERAL TERMS & CONDITIONS:

6. REMOTE SERVICES. Certain models of Equipment are supported and serviced using data that is automatically collected by Xerox or transmitted to or from Xerox by the Equipment connected to your network ("Remote Data") via electronic transmission to a secure off-site location ("Remote Data Access"). Remote Data Access also enables Xerox to transmit Releases of Software to you and to remotely diagnose and modify Equipment to repair and correct malfunctions. Examples of Remote Data include product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code data. Remote Data may be used by Xerox for billing, report generation, supplies replenishment, support services, recommending additional products and services, and product improvement/development purposes. Remote Data will be transmitted to and from you in a secure manner specified by Xerox. Remote Data Access will not allow Xerox to read, view or download the content of any of your documents or other information residing on or passing through the Equipment or your information management systems. You grant the right to Xerox, without charge, to conduct Remote Data Access for the purposes described above. Upon Xerox's request, you will provide contact information for Equipment such as name and address of your contact and IP and physical addresses/locations of Equipment. You will enable Remote Data Access via a method prescribed by Xerox, and you will provide reasonable assistance to allow Xerox to provide Remote Data Access. Unless Xerox deems Equipment incapable of Remote Data Access, you will ensure that Remote Data Access is maintained at all times Maintenance Services are being performed.

NHG
12-06-17

Maintenance Agreement



Customer: CITY OF BREA

BillTo: CITY OF BREA
BSMT P2
1 CIVIC CENTER CIR
BREA, CA 92821-5792

Install: CITY OF BREA
BSMT P2
1 CIVIC CENTER CIR
BREA, CA 92821-5792

State or Local Government Negotiated Contract : 072756600

Monthly Pricing

Item	Maintenance Minimum Payment	Print Charges			Maintenance Plan Features
		Meter	Volume Band	Per Print Rate	
1. FFMKRC S/N KLA002728 Purchased From: XEROX	\$116.00	N/A	N/A	N/A	- Term: 60 Months - Full Service Maintenance Included - Pricing Fixed for Term
Total	\$116.00	Minimum Payments (Excluding Applicable Taxes)			

Authorized Signature

Customer acknowledges receipt of the terms of this agreement
which consists of 3 pages including this face page.

Signer: Neil Groom

Phone: (714)990-7708

Signature: _____

Date: _____

Thank You for your business!
This Agreement is proudly presented by Xerox and

Michael Feeney
(714)565-1140

For information on your Xerox Account, go to
www.xerox.com/AccountManagement

Terms and Conditions

SOLUTION/SERVICES:

1. PRODUCTS. "Products" means the equipment ("Equipment"), Software and supplies identified in this Agreement. You agree the Products are for your business use (not resale) in the United States and its territories and possessions ("U.S.") and will not be used for personal, household or family purposes.

2. CARTRIDGES. If Xerox is providing Maintenance Services for Equipment utilizing cartridges designated by Xerox as customer replaceable units, including copy/print cartridges and xerographic modules or fuser modules ("Cartridges"), you agree to use only unmodified Cartridges purchased directly from Xerox or its authorized resellers in the U.S. Cartridges packed with Equipment and replacement Cartridges may be new, remanufactured or reprocessed. Remanufactured and reprocessed Cartridges meet Xerox's new Cartridge performance standards and contain new or reprocessed components. To enhance print quality, Cartridge(s) for many models of Equipment have been designed to cease functioning at a predetermined point. In addition, many Equipment models are designed to function only with Cartridges that are newly manufactured original Xerox Cartridges or with Cartridges intended for use in the U.S.

3. MAINTENANCE SERVICES. Except for Equipment identified as "No Svc.", Xerox (or a designated servicer) will keep the Equipment in good working order ("Maintenance Services"). The provision of Maintenance Services is contingent upon you facilitating timely and efficient resolution of Equipment issues by: (a) utilizing customer-implemented remedies provided by Xerox; (b) replacing Cartridges; and (c) providing information to and implementing recommendations provided by Xerox telephone support personnel. If an Equipment issue is not resolved after completion of (a) through (c) above, Xerox will provide on-site support as provided herein. Maintenance Services will be provided during Xerox's standard working hours in areas open for repair service for the Equipment. Maintenance Services excludes repairs due to: (i) misuse, neglect or abuse; (ii) failure of the installation site or the PC or workstation used with the Equipment to comply with Xerox's published specifications; (iii) use of options, accessories or products not serviced by Xerox; (iv) non-Xerox alterations, relocation, service or supplies; or (v) failure to perform operator maintenance procedures identified in operator manuals. Replacement parts may be new, reprocessed or recovered and all replaced parts become Xerox's property. Xerox will, as your exclusive remedy for Xerox's failure to provide Maintenance Services, replace the Equipment with an identical model or, at Xerox's option, another model with comparable features and capabilities. There will be no additional charge for the replacement Equipment during the remainder of the initial Term. If meter reads are a component of your Maintenance Plan, you will provide them using the method and frequency identified by Xerox. If you do not provide a meter reading for Equipment not capable of Remote Data Access, or if Remote Data Access is interrupted, Xerox may estimate the reading and bill you accordingly.

4. SOFTWARE SUPPORT. Xerox (or a designated servicer) will provide the software support set forth below ("Software Support"). For Base Software, Software Support will be provided during the initial Term and any renewal period, but in no event longer than 5 years after Xerox stops taking customer orders for the subject model of Equipment. For Application Software, Software Support will be provided as long as you are current in the payment of all applicable software license and support fees. Xerox will maintain a web-based or toll-free hotline during Xerox's standard working hours to report Software problems and answer Software-related questions. Xerox, either directly or with its vendors, will make reasonable efforts to: (a) assure that Software performs in material conformity with its user documentation; (b) provide available workarounds or patches to resolve Software performance problems; and (c) resolve coding errors for (i) the current Release and (ii) the previous Release for a period of 6 months after the current Release is made available to you. Xerox will not be required to provide Software Support if you have modified the Software. New releases of Software that primarily incorporate compliance updates and coding error fixes are designated as "Maintenance Releases" or "Updates". Maintenance Releases or Updates that Xerox may make available will be provided at no charge and must be implemented within six months. New releases of Software that include new content or functionality ("Feature Releases") will be subject to additional license fees at Xerox's then-current pricing. Maintenance Releases, Updates and Feature Releases are collectively referred to as "Releases". Each Release will be considered Software governed by the Software License and Software Support provisions of this Agreement (unless otherwise noted). Implementation of a Release may require you to procure, at your expense, additional hardware and/or software from Xerox or another entity. Upon installation of a Release, you will return or destroy all prior Releases.

5. DIAGNOSTIC SOFTWARE. Software used to evaluate or maintain the Equipment

("Diagnostic Software") is included with the Equipment. Diagnostic Software is a valuable trade secret of Xerox. Title to Diagnostic Software will remain with Xerox or its licensors. Xerox does not grant you any right to use Diagnostic Software, and you will not access, use, reproduce, distribute or disclose Diagnostic Software for any purpose (or allow third parties to do so). You will allow Xerox reasonable access to the Equipment to remove or disable Diagnostic Software if you are no longer receiving Maintenance Services from Xerox; provided that any on-site access to your facility will be during your normal business hours.

PRICING PLAN/OFFERING SELECTED:

6. COMMENCEMENT & TERM. This Agreement will commence upon acceptance by Xerox and expire on the final day of the last full calendar month identified on the face of this Agreement. Unless either party provides notice at least 30 days before the end of the initial Term of its intention not to renew Maintenance Services for a unit of Equipment, Maintenance Services will renew automatically on the same terms and conditions for successive terms of the same number of months as the initial Term. Pricing for each renewal term will be Xerox's then-current published pricing.

7. PAYMENT. Payment (including applicable Taxes) is due within 30 days after the invoice date, with all charges being billed in arrears. This Agreement will not be automatically renewed.

8. LATE CHARGE. If a payment is not received by Xerox within 10 days after the due date, Xerox may charge, and you will pay, a late charge of 5% of the amount due or \$25, whichever is greater.

9. FIXED PRICING. If "Pricing Fixed for Term" is identified in Maintenance Plan Features, the maintenance component of the Minimum Payment and Print Charges will not increase during the initial Term of this Agreement.

10. TAXES. You will be responsible for all applicable taxes, fees or charges of any kind (including interest and penalties) assessed by any governmental entity on this Agreement or the amounts payable under this Agreement ("Taxes"), which will be included in Xerox's invoice unless you timely provide proof of your tax exempt status. Taxes do not include taxes on Xerox's income.

11. DEFAULT & REMEDIES. You will be in default under this Agreement if (1) Xerox does not receive any payment within 15 days after the date it is due, or (2) you breach any other obligation in this or any other agreement with Xerox. If you default, Xerox may, in addition to its other remedies (including cessation of Maintenance Services), require immediate payment, as liquidated damages for loss of bargain and not as a penalty, of (a) all amounts then due, plus interest from the due date until paid at the rate of 1.5% per month; (b) the remaining Minimum Payments, not to exceed 6 such payments if this Agreement is for a one year Term and 12 such payments for a multi-year Term; and, (c) all applicable Taxes. You will pay all reasonable costs, including attorneys' fees, incurred by Xerox to enforce this Agreement.

12. DATA SECURITY. Certain models of Equipment can be configured to include a variety of data security features. There may be an additional cost associated with certain data security features. The selection, suitability and use of data security features are solely your responsibility. Upon request, Xerox will provide additional information to you regarding the security features available for particular Equipment models.

GENERAL TERMS & CONDITIONS:

13. REPRESENTATIONS. The individuals signing this Agreement are duly authorized to do so and all financial information you provide completely and accurately represents your financial condition.

14. LIMITATION OF LIABILITY. For claims arising out of or relating to this Agreement whether the claim alleges tortious conduct (including negligence) or any other legal theory, but excepting liability under the indemnification obligations set forth in this Agreement, Xerox will not be liable to you for any direct damages in excess of \$10,000 or the amounts paid hereunder, whichever is greater, and neither party will be liable to the other for any special, indirect, incidental, consequential or punitive damages. Any action you take against Xerox must be commenced within 2 years after the event that caused it.

15. CREDIT REPORTS. You authorize Xerox or its agent to obtain credit reports from commercial credit reporting agencies.

16. FORCE MAJEURE. Xerox will not be liable to you during any period in which its performance is delayed or prevented, in whole or in part, by a circumstance beyond its reasonable control. Xerox will notify you if such a circumstance occurs.

17. WARRANTY DISCLAIMER. XEROX DISCLAIMS THE IMPLIED WARRANTIES OF NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE.

18. INTELLECTUAL PROPERTY INDEMNITY. Xerox will defend, and pay any

Terms and Conditions

settlement agreed to by Xerox or any final judgment for, any claim that a Xerox-brand Product infringes a third party's U.S. intellectual property rights. You will promptly notify Xerox of any alleged infringement and permit Xerox to direct the defense. Xerox is not responsible for any non-Xerox litigation expenses or settlements unless it pre-approves them in writing. To avoid infringement, Xerox may modify or substitute an equivalent Xerox-brand Product, refund the price paid for the Xerox-brand Product (less the reasonable rental value for the period it was available to you), or obtain any necessary licenses. Xerox is not liable for any infringement based upon a Xerox-brand Product being modified to your specifications or being used or sold with products not provided by Xerox.

19. ASSIGNMENT. Except for assignment by Xerox to a parent, subsidiary or affiliate of Xerox, or to securitize this Agreement as part of a financing transaction ("Permitted Assignment"), neither party will assign any of its rights or obligations under this Agreement without the prior written consent of the other party. In the event of a Permitted Assignment: (a) Xerox may, without your prior written consent, release to the proposed assignee information it has about you related to this Agreement; (b) the assignee will have all of the rights but none of the obligations of Xerox hereunder; (c) you will continue to look to Xerox for performance of Xerox's obligations, including the provision of Maintenance Services; (d) you waive and release the assignee from any claim relating to or arising from the performance of Xerox's obligations hereunder; (e) you shall not assert any defense, counterclaim or setoff you may have against an assignee; and (f) you will remit payments in accordance with instructions of the assignee..

20. MISCELLANEOUS. Notices must be in writing and will be deemed given 5 days after mailing, or 2 days after sending by nationally recognized overnight courier. Notices will be sent to you at the "Bill to" address identified in this Agreement, and to Xerox at the inquiry address set forth on your most recent invoice, or to such other address as either party may designate by written notice. You authorize Xerox or its agents to communicate with you by any electronic means (including cellular phone, email, automatic dialing and recorded messages) using any phone number (including cellular) or electronic address you provide to Xerox. This Agreement constitutes the entire agreement as to its subject matter, supersedes all prior oral and written agreements, and will be governed by the laws of the State of New York (without regard to conflict-of-law principles). In any action to enforce this Agreement, the parties agree (a) to the jurisdiction and venue of the federal and state courts in Monroe County, New York, and (b) to waive their right to a jury trial. If a court finds any term of this Agreement unenforceable, the remaining terms will remain in effect. The failure by either party to exercise any right or remedy will not constitute a waiver of such right or remedy. Each party may retain a reproduction (e.g., electronic image, photocopy, facsimile) of this

Agreement which will be admissible in any action to enforce it, but only the Agreement held by Xerox will be considered an original. Xerox may accept this Agreement either by signature or by commencing performance. Changes to this Agreement must be in writing and signed by both parties. Any terms on your ordering documents will be of no force or effect. Administrative and contract support functions hereunder may be performed, inside or outside the U.S., by one or more of Xerox's subsidiaries or affiliates and/or third parties. The following four sentences control over every other part of this Agreement. Both parties will comply with applicable laws. Xerox will not charge or collect any amounts in excess of those allowed by applicable law. Any part of this Agreement that would, but for the last four sentences of this Section, be read under any circumstances to allow for a charge higher than that allowed under any applicable legal limit, is modified by this Section to limit the amounts chargeable under this Agreement to the maximum amount allowed under the legal limit. If, in any circumstances, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by Xerox in excess of that legally allowed will be applied by Xerox to the payment of amounts legally owed under this Agreement, or refunded to you.

21. REMOTE SERVICES. Certain models of Equipment are supported and serviced using data that is automatically collected by Xerox or transmitted to or from Xerox by the Equipment connected to your network ("Remote Data") via electronic transmission to a secure off-site location ("Remote Data Access"). Remote Data Access also enables Xerox to transmit Releases of Software to you and to remotely diagnose and modify Equipment to repair and correct malfunctions. Examples of Remote Data include product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code data. Remote Data may be used by Xerox for billing, report generation, supplies replenishment, support services, recommending additional products and services, and product improvement/development purposes. Remote Data will be transmitted to and from you in a secure manner specified by Xerox. Remote Data Access will not allow Xerox to read, view or download the content of any of your documents or other information residing on or passing through the Equipment or your information management systems. You grant the right to Xerox, without charge, to conduct Remote Data Access for the purposes described above. Upon Xerox's request, you will provide contact information for Equipment such as name and address of your contact and IP and physical addresses/locations of Equipment. You will enable Remote Data Access via a method prescribed by Xerox, and you will provide reasonable assistance to allow Xerox to provide Remote Data Access. Unless Xerox deems Equipment incapable of Remote Data Access, you will ensure that Remote Data Access is maintained at all times Maintenance Services are being performed.

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Bill Gallardo

DATE: 12/12/2017

SUBJECT: Annual Development Impact Fee Report And Five Year Findings for the Fiscal Year Ended June 30, 2017

RECOMMENDATION

Receive and file Report.

BACKGROUND/DISCUSSION**Annual Report**

The City Council established and adopted various Development Impact Fees in 1995 to pay for necessary infrastructure improvements needed to support new development projects within Brea. These included Traffic, Water, Dispatch and Fire Impact Fees, which were established by Ordinance Nos. 966, 967, 968, and 969 respectively. An annual review of fees occurs with the budget process, with fee updates made as governed by the terms of the applicable impact fee ordinance or resolution. Since the inception of the Impact Fee Programs in 1995, there have been several resolutions adopted by City Council, which set the fees as shown below:

- Resolution 2011-096 for Traffic Impact Fees;
- Resolution 03-15 for Water Impact Fees;
- Resolution 06-105 for Dispatch Impact Fees; and,
- Resolution 06-104 for Fire Impact Fees.

Government Code § 66006 ("GC § 66006), commonly referred to as AB-1600, which was passed into law in 1988, requires that municipalities who impose Development Impact Fees provide the following information to the public annually for each fund within 180 days after the last day of each fiscal year:

- (A) Brief description of the type of fee in the account or fund;
- (B) Amount of the fee;
- (C) Beginning and ending balances of the account of fund;
- (D) Amount of fees collected and the interest earned;
- (E) Identification of each public improvement on which fees were expended, the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees;
- (F) Identification of an approximate date by which the construction of the public

improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete;

(G) Description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan; and,

(H) Amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

Furthermore, GC § 66006 requires the local agency to review said information not less than 15 days after the information is made available to the public at the next regularly scheduled public meeting. Therefore, staff has prepared said information within an Annual Report, which will be made available to the public (see attached Annual Report).

Five Year Report

In addition to the Annual Report, for the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the City is required to make all findings with respect to that portion of the account or fund committed or uncommitted. Staff has prepared this fifth year Findings Report for City Council review (see attached Fifth Year Findings Report). All Development Impact Fees collected by the City of Brea are committed to capital projects or to finance infrastructure improvements.

Some of the needs for capital facilities to accommodate new growth identified during past nexus studies have been addressed through the completion of capital projects and purchases of equipment and facilities. The Nexus Fee Program continues to make progress annually to complete the nexus improvements as stated within each respective study. However, based on cost fluctuations since the last Nexus Fee Studies, there is a need to update each respective study in 2018.

Traffic Impact Fee Study

As stated previously, Ordinance No. 966 established the Traffic Impact Fee Program and Resolution 95-51, as adopted by the City Council in May of 1995, approved the Traffic Nexus Studies and set the fees. The approved traffic studies identified 18 intersection and link locations in the City, which would require improvements due to the impacts of future development. The fee program identified these improvements with an estimated cost of \$44 Million. Of this \$44 Million, \$34 Million was associated with the new development impacts and allocated into four (4) Fee Districts within the City Limits. This Nexus cost was then used to set the individual impact fees for residential and commercial/office/industrial development.

In 2011, an update to the Traffic Nexus Fee Study was completed using the Brea Area Traffic Model ("BATM") which further updated the required nexus improvements with costs as associated with future development. This study concluded that 1/2 of the original nexus improvements were completed, some were redefined, and the others were deemed not required as part of the Master Plan of Highways. Therefore, this list of future improvements was updated to depict eleven (11) projects with a total Nexus cost of \$19.4 Million. The balance of the Fee Program at that time was estimated at over \$10.5 Million, whereby the

new Fees were set based on the difference of approximately \$8.9 Million. In December 2011, the City Council approved the 2011 Traffic Nexus Fee Study and adopted Resolution 2011-096, which set the new fees and consolidated the fee program districts from four to one. These Projects have been identified in the City's Capital Improvement Program.

Several of the Projects within the Traffic Nexus Fee Program, such as: the SR 57/Lambert Interchange Project and Imperial/SR 57 Interchange Project, require extensive work and coordination with Caltrans and the Orange County Transportation Authority for oversight and the regional funding share. The 2011 study estimated these improvements to cost a combined \$39.5 Million. However, since 2011, construction costs have increased on average 5% per year or roughly 30% over the last six years. Additionally, due to the current Brea Envisions Community Strategic Plan goals with potential future changes to land use and transportation, it is recommended that an update to the Traffic Nexus Study be completed in the upcoming year.

Water Impact Nexus Program

Ordinance No. 967 initiated the Water Nexus Fee Program and established the fees via Resolution 95-52. In 2002, the City conducted a study entitled "Water Master Plan Update", which was used to determine the need for future water infrastructure as the result of future development. Additionally a report was completed entitled "City of Brea Water Master Plan Update Recommended Water Impact Fees" which was used to update the impact fees. In March 2003, the City Council adopted Resolution 03-15 to set the Water Impact Fees into three (3) water districts. Additionally, Resolution 03-15 provided a provision to update the Water Impact Fees annually to account for inflation using the Engineering News Record 20-City Construction Cost Index. In 2009, the Water Master Plan was updated again, which identified 11 capital projects with cost estimates for the nexus improvements for a total program cost of approximately \$5 Million. Due to the same rationale within the Traffic Impact Nexus Program, staff recommends updating the Water Nexus Fee Program in the coming year.

Dispatch Impact Fee Program

Ordinance No. 968 established the Dispatch Impact Fee Program and Resolution No. 95-53 set the appropriate impact fees attributed to future development. In 2006, the City updated the Fire and Dispatch Impact Analysis, which provided a published study to reflect the impacts of future development. This study was incorporated into Resolution No. 06-105 that updated the impact fees, which was adopted by the City Council on December 19, 2006. In 2013, the City updated the Fire and Dispatch Impact Fee Study to reflect increases to costs since 2006. This study showed a general increase to the impact fees for both Fire and Dispatch Impact Fees, which was presented to Finance Committee on April 9, 2013. However, due to the opportunity to move to a regionalized dispatching service at this time, it was recommended to not update the fees and to come back at a later date when more information becomes available.

One of the impact improvements identified within the 2006 and 2012 update was the acquisition of the Computer Aided Dispatch / Records Management System (CAD/RMS). This system is programmed to be purchased and installed with committed Dispatch Impact Fees in 2018. There are several other dispatch facilities and equipment needs that are depicted as planned improvements within the 2012 study which have not been fully funded. Therefore, for the same reasons mentioned in the previous Nexus Fee Programs and as recommended at the April 9, 2013 Finance Committee, staff recommends updating the Fire and Dispatch Impact Fee Program.

Fire Impact Fee Program

Ordinance No. 969 established the Fire Impact Fee Program and Resolution No. 95-54 set the appropriate impact fees attributed to future development. As stated perviously, in 2006 and 2012 the City updated the Fire and Dispatch Impact Study. As with the Dispatch Impact Fees in the 2012 update, the Fire Impact Fees also increased, but due to the potential regionalization of the Dispatch Services, the study was not adopted by City Council and the fees remained the same. One of the major facilities completed in the past five years within the Fire Impact Fee Program was Fire Station No. 4. This station serves the Carbon Carbon area. There are several other needs associated with the development impacts to Fire as identified within the 2012 study which have yet to be implemented. Therefore, for the same reasons mentioned in the previous Nexus Fee Programs and as recommended at the April 9, 2013 Finance Committee, staff recommends updating the Fire and Dispatch Impact Fee Program.

SUMMARY/FISCAL IMPACT

Pursuant to GC § 66006, information pertaining to the Impact Fee Program needs to be provided to the public annually within 180 days after the close of the Fiscal Year. Furthermore, a report is required every fifth year after the first deposit has been made to the impact fund account, and every five years thereafter, to demonstrate a findings regarding the portion of the account or fund that is uncommitted or committed. Staff has prepared both Reports for the public to review and for City Council's review to receive and file. Additionally, as stated previously in this Agenda Report, staff recommends updating each Nexus Impact Fee Study via professional consultant(s) with the specific expertise in Nexus Fee Programs in 2018. It is anticipated that the cost of the collective Nexus Impact Fee Studies would be in the range of \$75,000 - \$100,000, which would be funded by the Impact Fee Programs. Therefore, at this time, staff recommends completing additional information on this Nexus Impact Fee Study Update and returning to the City Council at a later date in 2018 for consideration.

Traffic, Water, Dispatch and Fire Impact Fees have realized revenues and incurred expenditures as detailed in the Annual Report for Fiscal Year Ended June 30, 2017. Therefore, there is no General Fund Impact from this action.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Steve Kooyman, P.E., City Engineer

Concurrence: Tony Olmos, P.E., Public Works Director

Attachments

Annual Report

Five Year Findings Report

CITY OF BREA
DEVELOPMENT IMPACT FEE PROGRAM

Annual Report
Fiscal Year Ended June 30, 2017
Prepared on 12/5/17

Pursuant to Government Code Section 66006, the following information contains information that is required to compile the annual report for Development Impact Fees. There were no refunds related to water impact fees, traffic impact fees, dispatch impact fees, or fire impact fees made pursuant to subdivision (e) and (f) of Section 66001.

Water Impact Fees was established by Ordinance 967 in order to offset new development projects and its sphere-of-influence. These fees are necessary to ensure that adequate water infrastructure and facilities are provided to new development projects.

Amount of Fee

District 1, All Zones - \$390 per 1" equivalent meter
District 2, Zone 790 & Below - \$2,999 per 1" equivalent meter
District 2, Zone 900 - \$22,315 per 1" equivalent meter
District 2, Zone 1050 & Above - \$81,160 per 1" equivalent meter
District 3, Zone 790 & Below - \$390 per 1" equivalent meter
District 3, Zone 1000 - \$16,323 per 1" equivalent meter
District 3, Zone 1200 - \$17,708 per 1" equivalent meter
District 3, Zone 1400 & Above - \$17,708 per 1" equivalent meter

The beginning balance was \$707,178.47 and the ending balance was \$869,461.14. The fees collected were \$167,931.02 and the interest earned was \$-794.31. There were no funds uncommitted.

For fiscal year 2016-17, \$4,854.04 was spent on administrative/operational costs.

Traffic Impact Fees was established by Ordinance 966 to offset new traffic impacts and finance construction of new traffic improvements caused by new development projects within Brea, including portions of its sphere of influence when annexed into the City.

Land Use Category	Unit of Development	Fee
Low Density Residential (Up to 6 d.u. per acre)	Per dwelling unit	\$1,974
Med. Density Residential (7 to 12 d.u. per acre)	Per dwelling unit	\$1,453
High Density Residential (13 d.u. per acre & over)	Per dwelling unit	\$1,203
Gen. and MU Commercial	Per gross square foot	\$2.35
Regional Commercial	Per gross square foot	\$2.24
Office/Industrial	Per gross square foot	\$1.25
Other	Per trip end	\$89

The beginning balance in this fund was \$13,840,639.36 for the fiscal year with an ending balance of \$12,799,581.78. Per the 2011 Nexus Study, the fair share amount set aside for use on the SR-57 and Lambert Interchange project was set at \$10,000,000. Of this amount, the balance as of June 30, 2017 was \$7,267,557. The fees collected were \$843,031.48, the interest earned was \$3,768.80, and there were other revenues in the amount of \$8,924.55. There were no funds uncommitted.

Traffic Impact Fees (Continued)

For fiscal year 2016-17, \$83,920.17 was spent on administrative/operational costs and \$1,841,170.78 was spent in project expenditures. The project expenditures are as follows:

<u>Project</u>	<u>Expenditures</u>	<u>Percent of Total Project Expenditures</u>
Project 7218 Traffic Signal Controller Upgrades	\$ 83.97	100 %
Project 7251 SR-57 Freeway/Lambert Rd. Interchange	\$ 1,685,062.75	100 %
Project 7278 Imperial & Berry St. Intersection Improvements	\$ 17,815.01	100 %
Project 7704 Emergency Changeable Message Signs	\$ 4,035.53	100 %
Project 7707 Brea Blvd Signal Synchronization	\$ 83.97	100 %
Project 7708 Central & State College Signal Synchronization	\$ 30,234.94	100 %
Project 7709 Birch Street Traffic Signal Synchronization	\$ 68,790.62	10 %
Project 7710 Kraemer Blvd. Traffic Signal Synchronization	\$ 1,200	21 %
Project 7711 Traffic Control Tech Improvement (Phase 2)	\$ 33,699.09	100 %
Project 7714 Imperial Highway Signal Synchronization	\$ 164.90	100 %
Total Impact Fee Expenditures	<u>\$ 1,841,170.78</u>	

Dispatch Impact Fees was established by Ordinance 968 to offset new dispatch/communications impacts and finance acquisition, installation and/or construction of new dispatch/communications facilities necessitated by new development projects within Brea, including portions of its sphere of influence when annexed into the City.

Dispatch Impact Fee is \$55.00 for each dwelling unit.

The beginning balance in this fund was \$297,271.50 with an ending balance of \$317,854.48. The fees collected were \$40,416 and interest earned was -\$231.39. There were no funds uncommitted.

For fiscal year 2016-17, \$1,774.22 was spent on administrative/operational costs and \$17,827.41 was spent in project expenditures.

Fire Impact Fee was established by Ordinance 969 to fund the cost of building a fire station and purchasing new fire engines and equipment required to serve new development.

Fire Impact Fees	
Residential	
Single Family	\$1,029
Multifamily	\$731
Nonresidential	
Commercial	\$191
Office	\$267
Industrial	\$138

The beginning balance in this fund was \$0 with an ending balance of \$410,795.17. The fees collected were \$453,052.00 and the interest earned was -4,308.54. The loan balance \$35,652 was paid off during fiscal year 2016-17. There were no funds uncommitted.

For fiscal year 2016-17, \$2,296.29 was spent on administrative/operational costs.

CITY OF BREA
DEVELOPMENT IMPACT FEE PROGRAM
Five Year Findings Report

FY 2011/2012 to 2016/2017
Issued on December 19, 2017

Pursuant to Government Code Section 66006, for the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the City of Brea (the “City”) shall make findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

DISPATCH IMPACT FEES were established by Ordinance 968 in order to offset new dispatch/communications impacts and to finance acquisition, installation and/or construction of new dispatch/communications facilities necessitated by new development projects within the City, including annexed portions of its sphere of influence.

The Development Impact Fee Nexus Study prepared by the consulting firm of MuniFinancial in November 2006 demonstrated the reasonable relationship between the fees and the purposes for which they have been used. In 2012, the Nexus Fee Study entitled “Fire and Dispatch Impact Fee Study” proposed updated impact fees, which increased from the 2006 study. However, this study was not approved and the 2006 fees remained unchanged (Exhibit ‘A’). Therefore it is recommended that a Nexus Fee Study Update be completed in 2018 to reflect the increased costs. Nonetheless, Capital facilities and furnishings needed to serve new residents were installed at the dispatch center during Fiscal Year 2016-17.

There are no funds uncommitted for five years or more.

FIRE IMPACT FEES were established on issuance of all building permits for any new development in the City of Brea, including portions of its sphere of influence when annexed into the city of Brea, to pay for certain fire improvements/facilities.

The Development Impact Fee Nexus Study prepared by the consulting firm of MuniFinancial in November 2006 demonstrated the reasonable relationship between the fees and the purposes for which they are being used. In 2012, the Nexus Fee Study entitled “Fire and Dispatch Impact Fee Study” proposed updated impact fees, which increased from the 2006 study. However, this study was not approved and the 2006 fees remained unchanged (Exhibit ‘B’). Therefore it is recommended that a Nexus Fee Study Update be completed in 2018 to reflect the increased costs. Nonetheless, the needs for capital facilities to serve new residents has been addressed, at least in part, through the purchase of a new fire station building (Station 4) and additional firefighting apparatus.

Until new information is obtained, the cost estimates set forth in Exhibit “B” are reasonable, and the fees expected to be generated by new development will not exceed the total of these costs. All fees collected will be deposited into the appropriate fund.

There are no funds uncommitted for five years or more.

TRAFFIC IMPACT FEES were established by Ordinance 966 on issuance of all building permits for any new development in the City of Brea, including portions of its sphere of influence when annexed into the city of Brea, to pay for certain traffic improvements.

The Transportation Improvement Nexus Program 2011 Update prepared by the consulting firm of Austin-Foust Associates, Inc. dated November 2011, demonstrates the reasonable relationship between the fees and the purposes for which they are being used. Since 2012, some progress has been made in the last five years and the needs for capital facilities to serve new residents and the program of capital projects to meet those needs remain unchanged.

Based on the 2011 update the cost estimates set forth in Exhibit “C” are considered low compared to the current 2017 costs estimates for constructing these facilities, therefore it is recommended that a Nexus Fee Study Update be completed in 2018 to reflect the increased costs. Therefore, the fees expected to be generated by new development to date will not exceed the total of these costs. All fees collected will be deposited into the appropriate fund.

There are no funds uncommitted for five years or more.

WATER IMPACT FEES were established by Ordinance 967 on issuance of all building permits for any new development in the City of Brea, including portions of its sphere of influence when annexed into the city of Brea, to pay for certain water improvements.

The Water Master Plan Update Completed by Psomas Engineering in November 2009 demonstrates the reasonable relationship between the fees and the purposes for which they are being used. Since 2012, there has been progress made over the last five years in delivering various improvements and the needs for capital facilities to serve new residents and the program of capital projects to meet those needs remain unchanged.

The cost estimates set forth in Exhibit “D” have been updated using the established acceptable method which is construction cost index (cci) information from Engineering News Record (ENR). These are reasonable cost estimates for constructing these facilities, and the fees expected to be generated by new development will not exceed the total of these costs. All fees collected will be deposited into the appropriate fund.

There are no funds uncommitted for five years or more.

Table 4.5: Brea Dispatch Equipment - Planned Acquisitions

	Quantity	Unit Cost	Total Cost
<u>Equipment¹</u>			
CAD Upgrade ²	1	1,197,000	1,197,000
Furnishings	NA	NA	13,000
Total New Equipment			\$ 1,210,000
Percentage allocated (60.8%) to City of Brea ²			\$ 735,700
Percentage allocated (39.2%) to City of Yorba Linda ²			\$ 474,300

Fair Share of "Common Items" value:
\$ 20,325
Fair Share of Financing cost:

\$ 144,983

¹ Planned equipment purchases from City of Brea.

² Total cost of the CAD upgrade is \$1,500,000. The cost including financing costs will be \$1,710,000. The value shown is net of the portions of the total cost allocated to RMS and fire.

³ Percentages determined from contract agreement between City of Brea and City of Yorba Linda.

Sources: Brea Police Department.

Cost Summary by Category:	Totals w/o		Percent	Spread Common		Adjusted
	Common	Items		Items - \$29,440	Spread Financing \$210,000	Distribution
CAD Sub-System	CAD	1,028,496	70%	20,608	147,894	1,196,998
Police RMS Sub-System	PRMS	368,637	25%	7,386	53,009	429,032
Fire RMS Sub-System	FRMS	72,150	5%	1,446	10,375	83,971
Common Items	COM	29,440	0%	-	-	-
Total Cost for Complete System		1,498,723	100%	29,440	211,277	1,710,001

Table 3.6: Brea Fire Planned Facilities

	Amount	Unit Cost	Total Cost
<u>Planned Fire Station</u> ¹			
Land	1.00 acres	\$ 919,500	\$ 919,500
Building ²	6,000 sq. ft.	330	1,980,000
Subtotal			\$ 2,899,500
<u>Vehicles & Equipment</u> ³			
2003 KME 23012 ⁴		\$	211,300
2003 KME 23014 ⁴			211,300
Other Equipment			79,300
Subtotal		\$	501,900
<u>Other</u>			
Fire RMS Sub-System ^{5, 6}		\$	84,000
Subtotal		\$	84,000
Subtotal New Facilities			\$ 3,485,400

¹ Additional station to be built that may replace existing Station 4, which is under a monthly lease. This planned station is to be similar to that of existing Station 2.

² Estimated building cost from Brea Fire Department.

³ Assumes same inventory as Station 2 in Table 3.4.

⁴ 2003 KME planned value is the remaining balance that is yet to be paid on these two vehicles. Total cost for each 2003 KME is \$370,900 and the total amount paid to date for each 2003 KME is \$159,600. This leaves the amount of \$211,300 to be paid as the remainder of the balance for each of the 2003 KME vehicles.

⁵ Fire RMS Sub-System is part of CAD upgrade that is dedicated to fire, so Fire Department will assume the burden of cost.

⁶ Fire RMS Sub-System includes financing cost.

Sources: City of Brea Fire Department.

Table 5
SUMMARY OF NEXUS IMPROVEMENTS

IMPROVEMENT	DESCRIPTION
SR-57/Lambert Road Local Share	This project will reconfigure the on and off ramps in accordance with the Caltrans-approved project study report. The estimated cost is \$38 million. It is proposed to contribute \$10 million from the traffic impact fee program.
SR-57/Imperial Highway	This project will address traffic operational issues on Imperial Highway between Randolph Avenue and the freeway interchange. It would include modification of the southbound on-ramp to provide for additional queuing on the ramp as well as lane configuration modifications and traffic signal and overhead signing improvements. The proposed contribution from the impact fee program is \$2.5 million.
Traffic Control Technology Improvement Program	This project recognizes the limited opportunities to provide additional roadway capacity through roadway widening projects. The project will focus on operational enhancements using technology. It will include upgrades to the obsolescent traffic signal system, video detection and surveillance, emergency vehicle traffic signal pre-emption and other technology as it becomes available. The proposed contribution from the impact fee program is \$2 million.
Imperial Highway at Berry Street	This project will widen Imperial Highway to construct a westbound right turn lane. The proposed contribution from the impact fee program is \$200,000.
Imperial Highway and Kraemer Boulevard	This project will widen Imperial Highway and Kraemer Boulevard to construct a westbound right turn lane and a third northbound lane. The proposed contribution from the impact fee program is \$540,000.
Citywide Emergency Vehicle Traffic Signal Pre-empt System	This project will install equipment at traffic signals throughout the city that allows emergency vehicles to pre-empt the signals to green in the direction they are traveling. This will enhance safety and emergency response times. The proposed contribution from the impact fee program is \$150,000.
Lambert Road at Puente Street	This project will widen Lambert Road to construct a westbound right-turn lane. The proposed contribution from the impact fee program is \$260,000.
Traffic Signal Controller Upgrade	This project will partially fund replacement of obsolescent traffic signal control equipment with current vintage equipment. The proposed contribution from the impact fee program is \$860,000.
Central Avenue at Brea Boulevard	This project will widen Central Avenue to construct an eastbound right turn lane. The proposed contribution from the impact fee program is \$200,000.
Brea Boulevard north of Central Avenue	This project will widen Brea Boulevard to Master Plan of Arterial Highway standards from north of Central Avenue to the north city limit. The proposed contribution from the impact fee program is \$1,500,000.
Emergency Changeable Message Signs	This project will address traffic congestion problems resulting from closures on Carbon Canyon Road due to fire rock slides, traffic accidents, etc. It will install changeable message signs at five locations strategically selected to direct traffic away from the road closures. The signs will be linked to the Caltrans Transportation Management Center. The proposed contribution from the impact fee program is \$300,000.

RECOMMENDED IMPROVEMENTS

COST ESTIMATES

Cost estimates provided within this report represent a preliminary opinion of construction cost plus 40% allowance for contingencies, administration, engineering and construction management and inspection. The costs in the 2002 WMPU were based upon June 2002 costs using an Engineering News Record (ENR) 20 city average Construction Cost Index (CCI) of 6532. The costs in this 2009 WMPU are based the June 2009 ENR CCI of 8578, which represent a 31-percent increase from 2002. Brea Engineering staff updated these cost estimates using the same methodology for the 2017 update of the Impact Fee Report.

RECOMMENDED PROJECTS and COSTS

New 650 Zone PRS in La Canada Drive - This recommended facility will consist of a 6-inch PRV and a 6-inch diameter by-pass with check valve in an underground vault located in La Canada Drive street right of way. Estimated project cost is \$320,000.

New Remote Valve in Lambert Road - Recommendations provide a new solenoid actuated 12-inch diameter valve in a buried valve vault within Lambert Road right of way on the existing 12-inch diameter 790 Zone transmission main between Sunflower Street and Valencia Avenue. Estimated project cost is \$240,000.

Valencia Reservoir Inlet/Outlet Trans. Main - This recommended project will replace approximately 1,300 lineal feet of existing 12-inch diameter pipeline from the terminus of the 24-inch diameter transmission main in Valencia Avenue near the intersection with Sandpiper Way to Valencia Reservoir with a new 24-inch diameter main. If the existing 12-inch is in good and serviceable condition, the City may want to consider maintaining it in place as a parallel pipeline. Also included in this project are modifications to Valencia Reservoir and the site piping required to connect the new Transmission main to the reservoir. Estimated project cost is \$540,000.

Berry Street Reservoir By-Pass - A bypass pipeline from the CDWC feed directly to the pumping station, bypassing the reservoir is recommended. Additional study is needed to determine the feasibility, size and cost of this project. For purposes of this master plan, \$420,000 has been allocated.

Carbon Canyon Reservoirs - Recommended improvements include an automated disinfection system, either dedicated on-site or portable. Budget estimates range from \$60,000 to \$300,000, a budget of \$200,000 is included herein.

RECOMMENDED IMPROVEMENTS

Puente Street Pump Station - Recommended improvements include addition of a VFD and manual transfer switch and portable generator connection lugs. Estimated project cost is \$100,000.

Carbon Canyon #2 Pump Station - Recommended improvements include construction of a masonry block building with fire resistant roof or block wall enclosure. Estimated project cost is \$110,000.

Carbon Canyon #3 Pump Station - Recommended improvements include construction of a masonry block building with fire resistant roof or block wall enclosure and replacement of the two 75 horsepower pumps and motors. Estimated project cost is \$240,000.

Carbon Canyon Road Waterline Upgrade – Recommended improvements include addition of line valves along Carbon Canyon Road and replacement of 300 lf of 10-inch waterline crossing Carbon Canyon Creek. Estimated Project Cost is \$590,000.

PROJECT PRIORITIES

The City's water distribution system is in good condition and during normal modes of operation meets all service goals, with a few minor exceptions previously discussed, which have been mitigated. The one exception is the recent water quality concern in the vicinity of the Carbon Canyon Reservoirs. That project has been assigned top priority.

The balance of the projects will improve system reliability and enhance operations during times when water supplies may be limited from any one source, during power outages, in the event of major fires, or in other such operating conditions. Any one project could, under these conditions, be deemed to have a component of public safety. For that reason, no one project can be said to have a greater need or higher priority than another, with regards to the system operation or public safety. Project priorities were developed in work sessions with City staff based upon many factors including budgeting, right of way, pending adjacent development, future street improvements and other similar factors.

RECOMMENDED IMPROVEMENTS

PRIORITIZED SUMMARY OF RECOMMENDATIONS

	2009 Estimate	2017 Estimate
1. Carbon Canyon Road Waterline Upgrade	\$590,000	\$713,900
2. Valencia Reservoir Inlet/Outlet Trans. Main	\$540,000	\$653,400
3. New 650 Zone PRS in La Canada Drive	\$250,000	\$302,000
4. Carbon Canyon Reservoirs (Water Quality)	\$200,000	\$242,000
5. Puente Street Pump Station	\$100,000	\$121,000
6. New Remote Valve in Lambert Road	\$240,000	\$290,400
7. Carbon Canyon #3 Pump Station	\$240,000	\$290,400
8. Carbon Canyon #2 Pump Station	\$110,000	\$133,100
9. Berry Street Reservoir By-Pass	\$420,000	\$508,000
10. Pumping Station Seismic Upgrades	\$300,000	\$363,000
11. Reservoir Seismic Upgrades	\$2,000,000	\$2,420,000
TOTAL	\$4,990,000	\$6,037,900

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members
FROM: Bill Gallardo
DATE: 12/12/2017
SUBJECT: Resolution Concerning Measure M2 Expenditure Report

RECOMMENDATION

Adopt Resolution.

BACKGROUND/DISCUSSION

On November 7, 2006, voters approved Renewed Measure M, which is commonly referred to as M2. M2 is a 30 year program extension of the original Measure M (1991-2011) to fund countywide transportation facility and service improvements by a transactions and use tax of one-half of one percent (1/2%). M2 requires that each jurisdiction adopt an Annual Expenditure Report to account for funds expended that satisfy the Measure M2 Maintenance of Effort (MOE) requirement and expenditures of all activities funded with M2 revenues within six (6) months of the jurisdiction's fiscal year end. By adopting this Resolution concerning the Measure M2 Expenditure Report, the City will be in compliance with this requirement.

As with the original Measure M, each year, the City must provide specific documentation to the Orange County Transportation Authority (OCTA) in order to maintain Measure M2 eligibility for local fair share and competitive grant funding. OCTA is the local transportation authority responsible for administering proceeds of the M2 sales tax. The City of Brea routinely applies for competitive funding through the Comprehensive Transportation Funding Program (CTFP), which is a component of M2. The CTFP brings a number of competitive grant programs through M2 under one set of procedures and guidelines. M2 funds enable the City to undertake significant capital projects that improve the transportation and circulation system in Brea.

In June 2017, the City submitted all documentation for the annual M2 eligibility requirements, with the exception of this Measure M2 Expenditure Report. It was necessary for staff to wait until after the City's audits were completed in order to prepare the report based on audited financial data. This M2 requirement will continue on an annual basis pursuant to the OCTA ordinance.

SUMMARY/FISCAL IMPACT

Continued compliance with the M2 MOE requirement will enable the City of Brea to be eligible for local fair share and competitive grant funding. There is no impact to the General Fund.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Warren Coleman, Senior Management Analyst

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

Attachments

Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA, CONCERNING THE MEASURE M2 EXPENDITURE REPORT FOR THE CITY OF BREA

A. RECITALS:

(i) Orange County Local Transportation Authority Ordinance No.3 requires local jurisdictions to adopt an annual Expenditure Report to account for Measure M2 Revenues, developer/traffic impact fees, and funds expended by local jurisdiction which satisfy the Maintenance of Effort requirements; and

(ii) The Expenditure Report shall include all Measure M2 Revenue fund balances, interest earned and expenditures identified by type and program or project; and

(iii) The Expenditure Report must be adopted and submitted to the Orange County Transportation Authority (OCTA) each year within six months of the end of the local jurisdiction's fiscal year to be eligible to receive Measure M2 Revenues as part of Measure M2.

B. RESOLUTION:

NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED by the City Council of the City of Brea that OCTA be informed as follows:

1. The M2 Expenditure Report, attached within, is in conformance with the M2 Expenditure Report Template provided in the Renewed Measure M Eligibility Guidelines and accounts for Measure M2 Revenues including interest earned, expenditures during the fiscal year and balances at the end of the fiscal year; and

2. The M2 Expenditure Report is hereby adopted by the City of Brea.

APPROVED AND ADOPTED this 19th day of December 2017.

Mayor

I, Lilian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the Council of the City of Brea, held on the 19th day of December 2017 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAINED: COUNCIL MEMBERS:

ATTEST: _____
City Clerk

M2 Expenditure Report
Fiscal Year Ended June 30, 2017
Beginning and Ending Balances

Description		Line No.	Amount	Interest
Balances at Beginning of Fiscal Year				
A-M	Freeway Environmental Mitigation	1	\$ -	\$ -
O	Regional Capacity Program	2	\$ (232,000)	\$ -
P	Regional Traffic Signal Synchronization Program	3	\$ -	\$ -
Q	M2 Fair Share	4	\$ 2,040,614	\$ -
R	High Frequency Metrolink Service	5	\$ -	\$ -
S	Transit Extensions to Metrolink	6	\$ -	\$ -
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7	\$ -	\$ -
U	Senior Mobility Program or Senior Non-Emergency Medical Program	8	\$ 40,722	\$ -
V	Community Based Transit/Circulators	9	\$ -	\$ -
W	Safe Transit Stops	10	\$ -	\$ -
X	Water Quality Program	11	\$ -	\$ -
	Other*	12	\$ -	\$ -
Balances at Beginning of Fiscal Year (Sum Lines 1 to 12)		13	\$ 1,849,336	\$ -
	Monies Made Available During Fiscal Year	14	\$ 1,213,259	\$ -
Total Monies Available (Sum Lines 13 & 14)		15	\$ 3,062,595	\$ -
	Expenditures During Fiscal Year	16	\$ 1,995,908	\$ -
Balances at End of Fiscal Year				
A-M	Freeway Environmental Mitigation	17	\$ -	\$ -
O	Regional Capacity Program	18	\$ (232,000)	\$ -
P	Regional Traffic Signal Synchronization Program	19	\$ (621,497)	\$ -
Q	M2 Fair Share	20	\$ 2,133,388	\$ -
R	High Frequency Metrolink Service	21	\$ -	\$ -
S	Transit Extensions to Metrolink	22	\$ -	\$ -
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	23	\$ -	\$ -
U	Senior Mobility Program or Senior Non-Emergency Medical Program	24	\$ 61,462	\$ -
V	Community Based Transit/Circulators	25	\$ -	\$ -
W	Safe Transit Stops	26	\$ -	\$ -
X	Water Quality Program	27	\$ (274,666)	\$ -
	Other*	28	\$ -	\$ -

* Please provide a specific description

M2 Expenditure Report
Fiscal Year Ended June 30, 2017
Sources and Uses

Description	Line No.	Amount	Interest
Revenues:			
A-M: Freeway Environmental Mitigation	1	\$ -	\$ -
O: Regional Capacity Program	2	\$ -	\$ -
P: Regional Traffic Signal Synchronization Program	3	\$ -	\$ -
Q: M2 Fair Share	4	\$ 944,742	\$ -
R: High Frequency Metrolink Service	5	\$ -	\$ -
S: Transit Extensions to Metrolink	6	\$ -	\$ -
T: Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7	\$ -	\$ -
U: Senior Mobility Program or Senior Non-Emergency Medical Program	8	\$ 42,110	\$ -
V: Community Based Transit/Circulators	9	\$ -	\$ -
W: Safe Transit Stops	10	\$ 30,000	\$ -
X: Water Quality Program	11	\$ 196,407	\$ -
Other*	12	\$ -	\$ -
TOTAL REVENUES (Sum lines 1 to 12)	13	\$ 1,213,259	\$ -
Expenditures:			
A-M: Freeway Environmental Mitigation	14	\$ -	\$ -
O: Regional Capacity Program	15	\$ -	\$ -
P: Regional Traffic Signal Synchronization Program	16	\$ 621,497	\$ -
Q: M2 Fair Share	17	\$ 851,968	\$ -
R: High Frequency Metrolink Service	18	\$ -	\$ -
S: Transit Extensions to Metrolink	19	\$ -	\$ -
T: Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	20	\$ -	\$ -
U: Senior Mobility Program or Senior Non-Emergency Medical Program	21	\$ 21,370	\$ -
V: Community Based Transit/Circulators	22	\$ -	\$ -
W: Safe Transit Stops	23	\$ 30,000	\$ -
X: Water Quality Program	24	\$ 471,073	\$ -
Other*	25	\$ -	\$ -
TOTAL EXPENDITURES (Sum lines 14 to 25)	26	\$ 1,995,908	\$ -
TOTAL BALANCE (Subtract line 26 from 13)	27	\$ (782,649)	\$ -

* Please provide a specific description

M2 Expenditure Report
Fiscal Year Ended June 30, 2017
Streets and Roads Detailed Use of Funds

Type of Expenditure	Line No.	MOE ²	+ Developer / Impact Fees	O	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2 ³	Other M2 Interest	Other*	TOTAL
Administration (Indirect & Overhead)	1							\$ 20,042							\$ 20,042
Construction & Right-of-Way	2														
New Street Construction	3		\$ 1,685,063												\$ 1,685,063
Street Reconstruction	4		\$ 34,535					\$ 809,889							\$ 844,424
Signals, Safety Devices, & Street Lights	5		\$ 138,709												\$ 759,706
Pedestrian Ways & Bikepaths	6							\$ 22,037							\$ 22,037
Storm Drains	7														\$ -
Storm Damage	8	\$ -	\$ 1,857,807	\$ -	\$ -	\$ 621,497	\$ -	\$ 831,926	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,311,230
Total Construction ¹	9														\$ -
Right of Way Acquisition	10	\$ -	\$ 1,857,807	\$ -	\$ -	\$ 621,497	\$ -	\$ 831,926	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,311,230
Total Construction & Right-of-Way															\$ -
Maintenance	11														\$ -
Patching	12														\$ -
Overlay & Sealing	13														\$ -
Street Lights & Traffic Signals	14														\$ -
Storm Damage	15	\$ 1,286,987													\$ 1,286,987
Other Street Purpose Maintenance	16	\$ 1,286,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,286,987
Total Maintenance ¹	17														\$ 522,443
Other	18	\$ 1,286,987	\$ 1,857,807	\$ -	\$ -	\$ 621,497	\$ -	\$ 851,968	\$ -	\$ 471,073	\$ -	\$ 51,370	\$ -	\$ -	\$ 5,140,702
GRAND TOTALS (Sum Lines 1, 10, 16, 17)															\$ -

Legend

Project	Description
A-M	Freeway Environmental Mitigation
O	Regional Capacity Program
P	Regional Traffic Signal Synchronization Program
Q	M2 Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Water Quality Program

¹ Includes direct charges for staff time

² Local funds used to satisfy maintenance of effort (MOE) requirements

³ Other M2 includes A-M, R,S,T,U,V, and W

+ Transportation related only

• Please provide a specific description

[illegible]

M2 Expenditure Report
Fiscal Year Ended June 30, 2017

I certify that the interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated and all the information attached herein is true and accurate to the best of my knowledge:

Cindy Russell
Administrative Services Director

11-21-17
Date

Cindy Russell
Signature